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ABSTRACT

This report refers to a generation under challenge, meaning the 18-to-24-year-olds who have recently come of age in the United States. A significant part of this generation has fallen victim to a neglected past and may be overwhelmed by its future. The report argues for an integrated and comprehensive service delivery system that can make a difference in disconnected lives in the following chapters: (1) "Confronting the Demographic Challenge: Future Labor Market Prospects of Out-of-School Young Adults" (Andrew Sum, Neeta Fogg, and Neal Fogg); (2) "Investments in People Matter" (Stephen Mangum and Nancy Waldeck); (3) "Tales from the Bright Side: Conversations with Successful Graduates of Youth Employment Programs" (Edward deJesus); (4) "Out of School and Unemployed: Principles for More Effective Policies and Programs" (Gary Walker); (5) "Creative Resource Development: An Assessment of Potential in Selected Cities" (David Gruber); and (6) "Moving into the Mainstream: Making Connections for Disconnected Youth" (Marion Pines and Bill Spring). (Contains 17 tables and 1 chart.) (SLD)

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A Generation of Challenge

Pathways to Success for Urban Youth

A Policy Study of The Levitan Youth Policy Network

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Policy Issues
Monograph 97-03

June 1997

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A GENERATION OF CHALLENGE:
PATHWAYS TO SUCCESS FOR URBAN YOUTH

A Policy Study

of the

Levitan Youth Policy Network

Sar Levitan Center for Social Policy Studies
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The Johns Hopkins University
Wyman Park Building
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1997

Sar A. Levitan

The Sar Levitan Center for Social Policy Studies at the Johns Hopkins University was organized in 1995 to commemorate and extend the works of Sar A. Levitan, public policy commentator extraordinaire who died in May 1994 after 44 years of selfless public service on the national scene.

Levitan came to Washington in 1950 after military service and completion of his Ph.D. in Economics at Columbia University to serve on the staff of the Korean era Wage Stabilization Board. He remained thereafter with the Legislative Reference Service, researching and enlightening at congressional request issues related to labor relations, employment and economic development. On loan from LRS, he served on the staff of Senator Eugene McCarthy's 1959 Select Committee on Unemployment, in 1960-61 as Deputy Director of the Presidential Railroad Commission and then as advisor to Senator Paul Douglas in the formulation of the Area Redevelopment Act, the start of the Kennedy New Frontier.

Aware that pioneer social policies would need friendly critics to keep their administrators focused, he obtained a grant from the Ford Foundation which the Foundation itself has described as the longest lasting and most productive in its history. For thirty years thereafter, he was to advocate, evaluate, criticize, or praise (wherever and whenever deserved) every significant legislative act, policy and program related to employment, education, training or poverty during those tumultuous years.

Levitan was not satisfied with a 36-page bibliography of books, monographs, articles, congressional testimony and speeches. When cancer ended his life just short of his eightieth birthday, he left the bulk of his life savings to the National Council on Employment Policy, an organization he had helped organize and then singlehandedly perpetuated, charging his closest friends to continue his life's crusade.

The NCEP in turn funded the Sar Levitan Center for Social Policy Studies, which is the sponsor of this publication series.

Therefore to Sar A. Levitan this publication is lovingly dedicated.

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Though this publication carries appropriately the names of the senior authors of the papers within it, the entire product is in reality the joint output of more than a year's deliberations by the Levitan Youth Policy Network whose names are listed above. In December 1995, Mitchell Sviridoff, one of the Board of Directors of the National Council on Employment Policy, primary funder of the Levitan Center, suggested that the center take on as its primary effort during 1996 the formulation for the nation of a sorely needed policy for out-of-school youth. He further recommended that the Center not rely solely on its existing intellectual resources but establish and seek the continuing guidance of a network of the most knowledgeable youth policy experts available. That suggestion was productive beyond our wildest dreams. Not only did all of those eminent youth experts listed above respond favorably, they subsequently made numerous trips to Baltimore to spend long hours deliberating over the focus, concept and details of the policies recommended hereafter. In addition, many others, lacking the time for such extended counsel, attended one or two meetings or made suggestions without becoming formal members of the Network. Finding one year not to be long enough for this critical task, the Network's life was extended at least through 1997. Though individual members of the Network were chosen to write chapters of this publication, with the help of their respective staffs, the concepts they advance represent the contributions and the joint convictions of the entire Network.

The final product of the Network's deliberations and the original contributions were too lengthy and complex for widespread distribution. With the assistance of Bruce Boston of Wordsmith, Inc., the original products were compressed, and sometimes "de-academicized." The manuscript was then made camera-ready by Scott Lazerus. We trust our joint efforts will provide policymakers and practitioners with food for thought and will spur positive action in an area of public neglect.

Marion Pines, Director
Sar Levitan Center for Social Policy Studies

This monograph is published and distributed under a grant from the National Council on Employment Policy pursuant to a bequest from the estate of Sar A. and Brita Levitan. The responsibility for the findings and conclusions rests with the authors.

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A GENERATION OF CHALLENGE

PATHWAYS TO SUCCESS FOR URBAN YOUTH

I feel that there are a lot of kids out there scared. They are scared of growing up and having to have some type of responsibility. So they just rather get in trouble. And blame it on where they live. But that's not how it is, no matter where you live, no matter what type of family you come from, there is always a way to make it.

High school dropout, program graduate

Being a success, it is so big, so huge. I have to try to narrow it down a little bit. It was overwhelming for me to think about going to college when I had never seen a college application. I feel successful right now because I am doing something I want to do. I used to be on the street on dope. I keep success small because I am not on dope now. Every year it gets bigger and bigger. Every year I get further away from where I was. My options get bigger and bigger. I used to not be able to afford a fast-pass, but now I can buy a car. My reality is way different from the way it was. I feel successful because I came really far, but for another person, it may seem like I have nothing.

High school dropout, program graduate

INTRODUCTION

The title of this report uses the term "generation" in two senses. First, it speaks about a generation under challenge, the 18-to-24-year-olds who have newly come of age in the United States. A significant part of this generation, for a host of reasons, has fallen victim to a neglected past and may about to be overwhelmed by its future. They are out-of-school, out-of-work, and in many cases, out-of-options. Too many of them are frighteningly ill-prepared to enter the nation's career workplaces, which place a growing premium on schooling and skills. Too few have acquired the sense of stability and continuity that makes settling down and raising families a viable option; many are utterly disconnected from the chance to shape a viable future. In their generation, a sense of even where to begin is often lacking. And with no sense of direction, too many find their life journeys have taken the shape of an ever-constricting circle. This report is about them, the economy and the formidable challenges they face in trying to make headway in our society.

But in speaking about the challenge facing the young adult generation, this report also speaks about our generation as a *time* of challenge. We who are not part of the out-of-school, out-of-work generation of young adults still must act to safeguard the future stability and prosperity of the nation by ensuring that the next generation can fulfill its responsibilities as workers, parents, neighbors and citizens. It is left to us to create a society where, in the words of Franklin Delano Roosevelt, "no one is left out." And we adults are as ill-prepared for the challenge we face as they are for theirs.

This is the wake-up call. It argues that if we adopt some guiding principles that research and practice have proven

productive, more out-of-school youth can be helped to become contributing members of society. The argument proceeds from a vast array of data that make a straightforward case: the demographic surprise package-a rapidly growing out-of-school population (ages 18-24), ill equipped to meet the requirements of a more demanding workplace, puts added pressure on this generation to meet the challenge.

A Neglected Generation.

The number, size, and intractability of many of our nation's problems have obscured our view of an entire generation of youth that stands in silent danger of being lost to the country and to themselves—their talent and energy wasted, their hopes muted, their promise unrealized because they live in a generation that has not found its time or place in this one. Nearly a decade ago, a report from the William T. Grant Foundation Commission, *The Forgotten Half* (1988), called attention to approximately 20 million 16-24 year-olds who were not likely to go to college. The report pointed out forcefully that a college degree is not the only way to develop the talents of tomorrow's workers, and for some youth, far from the best way. But in many respects, the recommendations of that study fell on ears tuned to another frequency.

Three interrelated reasons help us understand why out-of-school and out-of-work young adults have received little attention from policy makers in recent years.

First, the policy atmosphere has been tainted by discouragement, largely because so few of the government-funded employment and training programs intended to help both 15-to-17-year-olds and 18-to-24-year-olds seem to have made much of a difference in their lives. Dispiriting evaluation results from several federally funded programs for out-of-school youth have given rise to a disastrously wrong-headed and erroneous conclusion—that "nothing works for these kids."

Second, in an atmosphere of discouragement, policy makers have found it easier to ignore the problems of out of school youth because of their declining numbers. Fewer members of the young adult generation were failing to

complete high school or obtain a GED certificate and the total youth population was declining fairly substantially. For example, there were 30.2 million 18-to-24-year-olds in 1981, but only 24.9 million in 1995. In other words, about a sixth of the problem seemed to be going away by itself, through the magic of demographics. The message policy makers heard was that they could relax, cut budgets, and turn their attention elsewhere.

Third, it has not always been clear where the policy responsibility for this group of young people lies. Because the education of America's youth has always been primarily a state and local responsibility, federal involvement on behalf of out-of-school youth has been sporadic, limited, and haphazard. The modest school-to-work program initiated in 1994, for example, has so far addressed in-school youth almost exclusively. Although the system building initiative has expended a good deal of local effort, current and impending funding on the whole remains low, particularly given the substantial growth in the numbers of high school students--and even that aid is due to expire in a few short years. Similarly, "second chance" programs for those already out of school and pushed to the fringes of the labor market have largely been a federal responsibility since the early 1960s. But many of these programs were designed primarily for adults with substantial labor force exposure. In many cases, they have been inadequately funded and unsuccessfully adapted for out-of-school and out-of-work youth.

But the demographic breeze that has comforted policy makers is now shifting its direction; it could soon become an ill wind. The numbers are changing, rendering the half-hearted efforts of past decades seem even less relevant. As the swollen youth cohorts of the post-war baby boom of the 1950s and 1960s passed through the demographic pipeline, the number of young people declined during the 1980s and 1990s (as noted above). The baby-boomers had their children in the late 1970s and into the 1980s. Now the baby-boomers are becoming grandparents as their children start raising families of their own. This new generation will be the young adults of the next century.

A new set of numbers is needed to describe this new generation. There were 14.6 million 14-to-17-year-olds in

1995, but in only three years (2000), there will be 15.8 million in that age group, plus 26.3 million young adults (ages 18-24). By 2010, there will be 47.5 million young people in this country between the ages of 15 and 24, more than 30 million of whom will be between the ages of 18 and 24.

To be sure, a majority of the next century's young people will have been born into favorable circumstances. They will be reasonably well-educated, well-socialized, and well-prepared to lead fulfilling and productive lives But a substantial minority will not. Fully one quarter of them will have been born into poverty. Many will be immigrants or children of immigrants with little schooling and poor language skills A growing number of them will lose their way, abandon education, become substance abusers, have out-of-wedlock babies, or land in jail or prison (see sidebar). The light of the future, shining on the coming generation of young adults, has created a significant shadow.

All these figures can be expected to rise as the numbers of teenagers and young adults in the population grow, especially those who leave high school without a diploma and are at risk for other difficulties.

Lost in the gloom of these numbers and projections, and buried in the discouraging evaluations of programs thus far mounted to aid disadvantaged youth, is a redeeming fact: many of these young people have succeeded handsomely because *some efforts to assist them do work, and we now know why these programs work*. More of their needs can be addressed, and the number of success stories can grow. What is needed now is to pay close attention to what has worked, issue a wake-up call, and get on with the job. Our generation, too, has a "rendezvous with destiny"!

Our wake-up call requires facing difficult facts. The rapidly growing youth population now experiences increasing pressure from declining real earnings, from immigrants competing for jobs, and from the impacts of incarceration and high levels of out-of-wedlock births. But chiefly, out-of-school youth are negatively affected by the fact that they have not acquired the one asset that makes more difference than any other in achieving success: an effective education base they can build on. Efforts to bolster the academic achievement and literacy proficiencies of youth,

PROBLEMS IN PROFILE

A COMING GENERATION

Population Growth. During 1995, there were slightly under 25 million young adults (ages 18-24) in the U. S. By the year 2010, their number will increase to above 30 million, a 21 percent rise.

Immigration. At the time of the 1980 census, five percent of America's young adult population were immigrants. That number doubled by 1990 and rose further to 13 percent by 1996. In that year, 25 percent of young adults who lacked a high school diploma were foreign-born.

In Prison. Between the mid-1980s and 1995, when the young adult population was declining, the number of young adults in jail or prison doubled, from 178,000 in 1986 to 359,000 in 1995. In 1994, ten percent of all adult males ages 20-29 were either in jail or prison, on probation, or on parole. The incidence of incarceration was 2.5 times higher for a high school dropout than for a high school graduate, and five times that for young persons with one or more years of post secondary schooling. Looking at the 35.9 million children in the country who were under ten in 1996, the Justice Department estimated that the number arrested from this group would double by 2010.

Violence. In 1976 there were 7.9 victims of homicide per 100,000 youngsters 14-to-17 years old. By 1993, that homicide rate had more than doubled, to 18.6 per 100,000.

Out-of Wedlock Births. While the birth rate among young adult women has been in recent decline, the proportion of out-of-wedlock births among mothers under age 25 has remained high (56 percent).

both in- and out-of-school, this report concludes, must receive a major emphasis from national, state, and local educational policy makers.

Among the challenging factors in the environment of out-of-school young adults, a significant item of good news is that the one circumstance about which they themselves

can take action is the one with the highest potential for change—again, education. Completing high school and some post secondary education, obtaining early work experience and receiving employer-based training have all shown remarkable correlations with overcoming workplace and earnings deficits for young adults.

Interviews with successful graduates of programs for out-of-school youth add a measure of hope to the message delivered by the statisticians. Young adults have to be "awakened," their peers and colleagues say; they have to change the way they think about life. But as they are also quick to point out, unless that change of heart and mind is encouraged and fostered by caring adults (teachers, program staff, mentors and employers), it will not last.

Successfully meeting the needs of this new generation of young adults also requires a "principled" response, in the sense of adherence to several principles that derive from the experience of successful programs. There are no "magic bullets," but history and experience confirm that it is possible to create programs for out-of-school and out-of-work young adults that produce life-changing results. These research based principles are part common sense and part hard lesson:

- Young people need to feel that at least one adult involved with their education or training program cares deeply about their labor market success;
- Each young person must have a strong connection to an employer, the confidence that when they achieve certain benchmarks, a job will follow, and that the job is step one on a career ladder with a future;
- Each young person must feel that the possibility for improvement in both education and skills is present at each step of his or her program;
- Each young person must feel that the program will stick with him or her, through several jobs and attempts at education, if need be;
- There must be effective connections between the program and external supports such as housing, counseling, medical assistance, food and clothing;

- *À la* "Tales from the Bright Side," each young person must experience an "awakening" to the potential of a positive life style and must receive support from peers and adults to achieve it; and
- Such motivational techniques as performance incentives and leadership opportunities are essential.

But principles out of context are merely words. Unless they are incorporated into a living, breathing system of organizations, partnerships, coalitions, processes, relationships, and activities at the community level, they cannot produce effective programs and practices. Young people whose parents are unable to advocate for them are isolated from opportunities for success. Leaders in our communities must join hands to build the collaborations and partnerships necessary to build ladders of opportunity from the street corner to careers. The private sector must arrange jobs for those willing to make an effort. All levels of the public sector, federal, state and local, must work together. Community leaders at the neighborhood level, volunteer mentors and the faith community must be full participants.

This report therefore argues forcefully for an integrated and comprehensive service delivery system that not only pulls existing pieces together but has the will and capacity to make a difference in disconnected lives. Mayors and county executives are probably the persons best positioned to spearhead the local system-building task. A community model based on a neighborhood based "home room" can serve as a staging area for alternative learning communities, peer support groups, social services, skill building, creative work experiences, and jobs—in short, a one-stop shop for youth services. The networks spawned by integrated service systems become the vehicles for delivering education, job-training opportunities, and linkages with employers. Above all, their success depends on strong leadership—political and otherwise—at the local level.

Emergent Solutions

The development of a comprehensive system for out of school, out of work youth has been hampered in part by gross underinvestment in the education, training and job opportunities that this generation so desperately needs. Yet,

the difficult problem of finding adequate funding resources for out-of-work, out-of-school youth can be solved with sufficient will and innovation. Indeed, novel solutions are emerging all the time around the country, sometimes in unlikely contexts: in both public secondary and post secondary education, the juvenile justice system, and public housing sponsored education and training efforts. All are ripe for redirection and integration on behalf of out of school youth. In particular, education funds available to school districts as ADA (average daily attendance) support, when they are creatively applied for, can become a source of "new" money when generated by the enrollment of out of school youth.

Up-close examinations of how several cities (in particular, Austin, Baltimore, Boston, Seattle, and Stockton, California) have made use of these disparate resources provide concrete examples of imagination and persistence. Lessons drawn from the experience of these cities are instructive. We have learned that when private firms share responsibility for organizing jobs and when "brokers" provide essential information both to youth and employers, dramatic employment progress is possible. Where there are great shortages of jobs, community service work opportunities need to be created. The federal role needs to be focused on filling big gaps with publicly funded community service jobs and seed money to stimulate community-wide strategies for disconnected youth.

As the millennium approaches, scores of thousands of out-of-school and out-of-work young people, surely one of America's greatest reservoir of untapped human potential, are at risk of remaining trapped in one or another of the nation's backwaters, eddying against the main current of the country. Too many are on their way to becoming a wasted cadre of marginal workers or dependent poor who live on the margin of civil society as well. Recent welfare reform legislation will reduce their ability to rely on public assistance to support themselves and their children. The problems that will necessarily follow in the wake of the oncoming demographic surge of out-of-school youth, (many of whom will be from low-income, immigrant and single-parent families) for swimming against he current, promise to be formidable. These young people, especially those in urban areas, face a labor market in which their competitive

PROGRAMS OF PRINCIPLE:*

YouthBuild

In YouthBuild Programs, young adults work in their neighborhoods rehabilitating abandoned buildings or building new housing for homeless or low income people. This dramatically changes their relationship to their communities. They are supervised by skilled trainers, usually union journeyman. The YouthBuild program design offers young people the following package:

- a way to resume their education;
- skills training toward decent paying jobs;
- an immediate, visible role in rebuilding the community that gains respect from family and neighbors;
- personal counseling from respected role models;
- positive peer support with a value system strong enough to compete with the streets;
- leadership development and civic education;
- linkages with employers; and
- support after graduation.

YouthBuild students attend school half-time to prepare for their GED, high school diploma, or post secondary education. YouthBuild schools all have small classes with individualized instruction and a supportive peer atmosphere—the opposite of what most have experienced in previous classrooms.

Individual and group counseling, life skills training, job placement, and follow-up counseling are also part of the program. YouthBuild programs become a kind of mini-community which young people frequently describe as "like a family." Trainees also participate in program governance and community affairs, learning how to make decisions that affect the program and neighborhood. Students usually participate for 12 months on a full-time basis with up to 2 years of follow-up.

In 1996 there were 108 operating YouthBuild programs engaging over 3,500 students. Most YouthBuild programs are sponsored by nonprofit community-based agencies, some by various city agencies. Data from 25 program years show that, on average, 67 percent of enrollees remain for the entire program year, and over 80 percent of these either get placed in jobs that average $7.09 per hour, or go on to college.

***Note**: The "Programs of Principle" described in this document are those whose design and implementation takes seriously the principles presented in Chapter 4.

position has declined substantially, and a workplace in which both public and private support for building their education and skills has been eroding.

What is now required is the clear and compelling answer from the nation that their situation requires. We need to state clearly—in deeds that speak louder than words—that this country has a vested interest in maximizing opportunities for these young people. Our economic vitality, standard of living and social stability depend on having all citizens, but most especially the next generation of workers, acquire the knowledge and skills a high quality workforce and a high performance workplace depends on. We must, in short, reignite the public will. We must create personal and career growth opportunities for these young people, while at the same time instilling in them a sense of personal responsibility and a hope that the world they can build for themselves will be better than the one into which they were born.

We have a solid foundation to build on. There is growing evidence about what works and how to make it work. What is now required is to increase the public's commitment to and investment in making that success concrete. We need to build, direct, and redirect channels and systems for the energy and resources that already exist, and that can be created in this generation and the next.

We must be realistic enough to recognize that we will not succeed with every out-of-school youth. We must recognize, too, that a shared responsibility for creating their future rests with the young people themselves: an education, a career, and a secure place in the community must become our common vision. But if we can construct opportunities enough, and find ways to help young people develop the confidence and tenacity to take advantage of them, the evidence shows they will make the effort—and are able to make the grade. At every level of government, in every community and throughout the private sector, we share a responsibility to start building this system of opportunity, and with it the sure foundation for a successful new generation of American young people.

CHAPTER ONE

CONFRONTING THE DEMOGRAPHIC CHALLENGE:

Future Labor Market Prospects of Out-of-School Young Adults

by Andrew Sum, Neeta Fogg and Neal Fogg

The Story Thus Far

During the past two decades, the nation's labor markets have been characterized by much turbulence and wrenching structural change. Causes include important shifts in the industrial and occupational composition of employment, continuous technological changes in the workplace, corporate restructuring and downsizing efforts, growing diversity in the workforce, and rising levels of foreign immigration. Nonetheless, overall labor market conditions have improved markedly over the past five years. The nation's aggregate unemployment rate now stands at about 5.2 to 5.4 percent. More than 11 million new jobs have been created since 1992, a significant share of which have been in high-skill occupations.

Some young adults, i.e., 18-to-24-year-olds, have benefitted from this improved labor market; more are active in the labor force and their employment prospects are rising. Yet despite these gains, many out-of-school young adults continue to encounter severe difficulties in getting a job, and

their real weekly wages continue to remain 30 percent or more below 1973 peak levels. Five years into the economic expansion that has followed the 1990-91 recession, the real weekly wages of young workers have shown no signs of improving. On the whole, young men and women with no substantial postsecondary education have continued to experience severe labor market problems.

Ironically, the deterioration in wages experienced by many out-of-school young adults over the past 15 years took place in a demographic environment that should have favored them. Since 1982, the population of young adults had been declining, and more of them had also completed some postsecondary schooling —conditions that should have made them more competitive in the labor market. But that did not happen.[1]

Now, even the demographic forces that "should have" favored this group are about to turn against them. **The total number of 18-to-24-year-olds in the nation's population will rise steadily from 1996 through the year 2010, outstripping the rate of growth for those 25 and older.** Racial and ethnic diversity will increase, as will job competition from young, foreign immigrants. Youth labor markets will be subjected to renewed supply-side pressures, both quantitative and qualitative, and young adults will become susceptible to blind-siding from the forces of structural change in the economy. These demographic and economic forces will pose a major challenge to the nation's employment and training system over the remainder of this decade and well into the first decade of the 21st century.

Declines in the constant weekly dollar wages and the annual earnings of many out-of-school young adults —especially those with no postsecondary schooling—have created several adverse economic and social consequences for young families and their children. Official poverty rates among the nation's young families have more than doubled over the past two decades, and young families with children

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[1] Andrew M. Sum and Neal W. Fogg, *The Labor Market Problems of the Nation's Out-of-School Youth Population*, Baltimore: Sar Levitan Center for Social Policy Studies, Johns Hopkins University, 1996.

have fared the worst. During March 1996, approximately a third of all the nation's poor children under the age of 18 lived in a family or subfamily headed by a person under age 30.[2]

The economic situation for children under age six in these families was even more precarious. Forty-four percent of all children under age six living in young families were poor or near-poor (i.e., living at or below 125 percent of the federal poverty level); they accounted for nearly 60 percent of all poor or near poor children throughout the nation. With this troubled component expanding rapidly, intergenerational frictions are sure to compound.[3] The future we can already see warns us that improving the labor market prospects of young adults must become a serious priority on the nation's antipoverty and welfare reform agendas.

This essay provides a statistical foundation for the argument advanced in the chapters that follow. It is divided into three main sections.

- Section I looks at demographic factors external to the job market that affect the chances for employment for 18-to-24-year-olds. Included are such factors as the "demographic seesaw" of population change in this age group, and the impacts of immigration, incarceration, and out-of-wedlock births on employment and earning power for both young men and young women.
- Section II examines four types of problems or situations faced by out-of-school young adults as they come to terms with the labor market: (1) being unemployed, (2) working only part-time even though they would like to have full-time jobs, (3) wanting a job but not actively seeking one, and (4) working full time, but earning less than $300 per week, which marks the official poverty line for a family of four. This section concludes by laying out

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[2] Estimates of the number of poor and near-poor children living in young families in March, 1996, are based on the findings of the March Current Population Survey, U. S. Bureau of the Census; tabulations are by the Center for Labor Market Studies.

[3] Sherman, Arloc, *Wasting America's Future*, Boston: Beacon Press, 1994.

the history of the decline in real earnings for young adults.

- Section III looks at four strategies for improving future labor market outcomes for young adults: formal schooling, academic achievement and literacy proficiency, early work experience, and improved employer-based training for young adult workers.

SECTION I: EXTERNAL FACTORS AFFECTING EMPLOYMENT PROSPECTS

Young Adults: Riding a Demographic Seesaw

The young adult population of the United States has been riding a demographic seesaw since the end of World War II. Changes in the young adult population brought about by the post-World War II baby boom have been well documented.[4] As those babies grew up, the number of young adults doubled between 1960-81, so that by the end of that period there were more than 30 million young adults (Table 1). After 1981, however, a fundamental demographic shift saw the size of the same age group decrease by 5 million (17 percent), a decline that would have been far greater but for the increased influx of young immigrants after 1980. Now, according to recent (1994) U. S. Census Bureau projections, the seesaw is about to reverse direction. **The 18-to-24 year-old population has been predicted to bottom out in 1996 at 24.6 million. Thereafter it is projected to rise continuously, reaching 26.3 million in 2000 and 30 million in 2010.** This growth will more than replace the losses since 1981.

In sum, the decline in the nation's young adult population is about to come to an abrupt end. Not only will the population of young adults be increasing in absolute

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[4] Andrew M. Sum and Neal W. Fogg, "Labor Market Turbulence and the Labor Market Experiences of Young Adults," in *Turbulence in the American Workplace*, (ed. Peter B. Doeringer), New York: Oxford University Press, 1991, pp. 17-45.

terms, but their numbers will be growing at a faster rate (13.9 percent) than that of any other segment of the adult population (Table 2).[5]

Table 1

Actual and Projected Trends in the Number of 18-24-Year-Olds in the Resident Population, 1980 to 2010

Year	Population	Absolute Change	Percent Change
Actual			
1980	30,103,067		
1981	30,245,067		
1982	30,161,695		
1985	28,902,109		
1990	26,826,220		
1994	25,263,245		
1981-1994		-4,981,822	-16.5%
Projected			
1995	24,926,435		
2000	26,258,428		
2005	28,267,515		
2010	30,137,808		
1995-2010		5,211,373	20.9%

Source: U.S. Bureau of the Census

[5] The nation's birth rate declined sharply during the Depression decade of the 1930s, falling below the replacement level for the first time in the nation's history. A person born in the year 1930 would have turned 65 in the year 1995. See: Mintz, Steven and Susan Kellogg, *Domestic Revolutions: A Social History of American Life*, Free Press, New York, 1988.

Table 2

Projected Trends in the Civilian Non-Institutional Population of Young Adults (18-24) and Older Adults (25+), U. S., 1995 to 2005 (Numbers in 1000's)

Age Group	1995	2005	Absolute Change	Percent Change
18-24	24,962	28,431	3,469	13.9%
25+	166,047	182,229	16,182	9.7%
25-64	134,782	148,659	13,877	10.3%

Source: *U. S. Bureau of the Census*, Population Projections under the Middle Net Immigration Scenario

Changing Racial and Ethnic Composition: What to Expect.

Projected growth rates in the size of key racial and ethnic groups will have a noticeable, diversifying effect on the make-up of the young adult population. The Census Bureau expects the White young adult population, including White Hispanics, to grow by 12.5 percent by 2005.[6] The young adult Black population is expected to grow by 14 percent by 2005. Other non-Whites, mostly Asians (at 34 percent) and Hispanics (at 30 percent), are expected to grow at rates well above those for all young adults. **Thus, nearly 60 percent of an additional 3.4 million young adults will be either Hispanic or non-White (Table 3).**

Labor supply pressures in the next decade will intensify, increasing the employment and earnings problems of young adults over the next decade. Youth labor market

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[6] Over 90% of the young Hispanics interviewed during the March, 1995, and March, 1996, Current Population Surveys were classified as White.

experiences during the 1980s and early 1990s, however, proved that demographics need not be destiny. Strong job growth, rising labor productivity, and concerted private and public action to boost employment prospects for young adults can help offset the adverse influence of the coming tip in the demographic see-saw (see also the "Programs of Principle" sidebars throughout this report).

Table 3

Projected Trends in the Civilian Non-Institutional Population of 18-24 Year Olds in the U.S. by Race and Hispanic Origin, 1995-2005
(Numbers in 1,000s)

Race/ Ethnic Group	1995	2005	Absolute Change	Percent Change
All	24,962	28,431	3,469	+13.9
White	19,923	22,408	2,485	+12.5
Black	3,653	4,172	519	+14.2
Other	1,385	1,851	466	+33.6
Hispanic	3,463	4,484	1,012	+29.5

Note: Hispanics can be members of any race. They are included in the estimates for Black and White and other races.

Source: U.S. Bureau of the Census, Population Projections under the Middle Net Immigration Scenario.

Teens

Like young adults, the teenage population will also undergo accelerating growth over the next decade. The rapidly rising number of teenagers will have substantial implications for the nation's high schools and for emerging school-to-work transition systems. **Between 1993 and 2005, enrollments in grades 9-12 will increase from just under 12 million to 14.8 million (24 percent), according to the National Center for Education Statistics.** In a majority of states, increased public high school enrollments will create more fiscal pressure on local and state governments. Given existing budgetary realities at the national level, little new financial assistance can be expected from the federal government.

More high school students, including growing numbers from minority and economically disadvantaged families, will also exert pressure on private sector employers to provide more jobs and work-based learning opportunities for students, both during high school and immediately upon graduation. While the overall employment rate of working-age high school students has improved moderately over the past few years, it remains several percentage points below its previous 1989 peak. But job opportunities for the nation's high school students will have to increase at rates well above previous levels for all working-age individuals if key school-to-work transition goals are to be achieved over the forthcoming decade.

Immigration and the Young Adult Population

The share of the nation's young adult population accounted for by immigrants more than doubled between 1980 and 1996 (Table 4). At the time of the 1980 census, just over five percent of all young adults were foreign-born.

But by 1990, the immigrant share of the young adult population had risen above 10 percent and it increased to just under 13 percent by March 1996. More than one of every five young adults with fewer than 12 years of schooling were immigrants. When we exclude high school students, the foreign-born share of young adults with no high school diploma or GED was almost 28 percent (Table 5).

Table 4

Trends in the Immigrant Share of the Nation's 18-24-Year-Old Civilian Population, by Educational Attainment: 1980, 1990, and 1996

Age Group	1980	1990	1996
All	5.4%	10.7%	12.8%
Less than 12 Years	8.8%	18.2%	21.0%
12 Years	3.8%	8.5%	9.6%
13-15 Years	5.3%	8.1%	10.6%
16+ Years	4.6%	9.8%	11.3%

Sources: *1980 and 1990 Census of Population and Housing; March, 1996 CPS survey; tabulations by Center for Labor Market Studies, Northeastern University.*

Knowledge of the size of foreign-born immigrant populations is important in explaining wage outcomes among young adults. National evidence for all adult workers suggests that perhaps as much as 30 percent of the decline in the relative earnings of poorly educated workers in the U.S. is attributable to the effects of foreign immigration. These immigration levels, especially among young adults, have been consistently underestimated in recent years. As a consequence, over the next decade, the nation's young adult population may grow at even faster rates than those projected by the Census Bureau.[7] Since the immigrant population tends to concentrate in specific regions and states, and since their proportions double in central cities compared to the nation as a whole, all under-educated young adults in cities will be especially challenged in the competition for jobs.

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[7] The US. Census Bureau actually produces several sets of population projections for the young adult population, using alternative assumptions about the levels of net immigration. The Census Bureau population projections we reviewed were based on the middle-level assumptions regarding foreign immigration.

Table 5

The Foreign Born[1] and Recent Immigrants as a Share of the 18-24 Year-Old Population by Race, Ethnic Group, and Schooling Status; U. S. — March 1996 (Numbers in Percent)

Group	All Foreign Born	Migrated to U.S. Since 1990
All	12.8	5.6
Race/Ethnic Group		
White, not Hispanic	3.5	1.5
Black, not Hispanic	5.2	2.7
Hispanic	48.0	21.6
Other, not Hispanic	53.2	22.7
School Enrollment or Attainment Status		
High School Student	12.4	5.8
Post Secondary Student	11.1	4.3
12 Years or Less, No Diploma or GED	27.9	16.1
12 Years	9.5	3.7
13-15 Years	8.9	2.6
16 or More Years	10.2	3.7

Source: *March, 1996 Current Population Survey, tabulations by Center for Labor Market Studies, Northeastern University.*

Note: *(1) Foreign-born include persons born in Puerto Rico and outlying possessions of the U. S.*

Implications of Demographic Change for the Incarcerated Young Adult Male Population

Most analyses of the labor market and economic situations among young adults do not take inmates of jails and prisons into account. In earlier decades, there were too few of them to affect analyses of the problems of young adults. But since the mid-1980s, the nation's jail and prison populations have more than tripled, and young men have been incarcerated at increasingly higher rates, especially those with no postsecondary education (Table 6).

A young adult male cannot earn a living if he is in jail. More to the point, national evidence suggests a causal link between low wages and high incarceration rates, especially among those who fail to complete secondary school.[8] Quite simply, unemployment and lower wages increase the economic attractiveness of criminal activities, including those related to the drug trade, where arrests and convictions have increased markedly over the past decade.

Table 6

Estimated Numbers of Young Male Inmates in Federal Prisons, State Prisons, and Local Jails, U.S., 1986 and 1995

Year	Total Number of Men (18-24) in the Population	Number in Prisons and Jails	Percent in Prisons and Jails
1986	14,282,510	177,952	1.3%
1995	12,901,583	359,419	2.8%
Absolute Change, 1986-1995	-1,380,927	181,467	1.5
Relative Change, 1986-1995	-9.7%	102.0%	115.4%

Source : *Current Population Surveys, U. S. Department of Justice, and authors' calculations.*

As Table 6 shows, high conviction rates, combined with mandatory sentencing laws, have produced an explosion in the prison population. **The estimated number of young**

[8] Freeman, Richard B. "Why Do So Many Young American Men Commit Crimes and What Might We Do About It?" *Journal of Economic Perspectives*, Vol. 10, No. 1 (Winter 1996), pp. 25-42.

men under 25 in federal and state prisons and local jails has more than doubled, from almost 178,000 in 1986 to more than 359,000 in 1995. At the same time, the number of men ages 18-to-24 in the total population was declining by almost 10 percent. As a result of these two contrasting trends, incarceration rates among young men more than doubled between 1986 and 1995. Looking ahead to 2005, if the percentages simply remain at 1995 levels, there will be more than 400,000 young men in jail—a 12 percent absolute jump. But if the rate of increase seen during the 1986-95 period continues apace, the number of young men in prison by 2005 will approach one million—a 156 percent increase.

While removing young men from their communities has strong, long-term, negative consequences for these men vis à vis the labor market, it is also likely to have negative effects on the formation and stability of two-parent families and on the well-being of children—not to mention the burgeoning costs to the taxpayers as more prisons are built and maintained, year in and year out. On release, men with criminal records find it even harder to get jobs, which reduces both their earnings potential and their attractiveness as marriage partners. Clearly, if we as a nation do not succeed in devising preventive strategies to bring down these figures, the inmate population will undergo more explosive growth, with higher costs to individuals, families, and society at large.

The Potential Impacts of Demographic Change on Out-of-Wedlock Births

The anticipated growth in the young adult population will also have important implications for the generation that they produce, especially with respect to the number of unwed mothers and single parent families. Given the high incidence of poverty among these families, and the new welfare requirements that will restrict eligibility for AFDC benefits, any substantive increase in the number of out-of-wedlock births to young women will have as many adverse consequences for the next generation of children as for their young adult parents, especially new mothers.

The good news is that birth rates in the United States have actually been declining for the past few years,

especially among teens. This is a particularly welcome development, given the high rate of out-of-wedlock births among teen mothers and the serious long-term poverty implications that accompany teen births. Births among teenagers overall fell by 8.4 percent between 1991 and 1995. Among women ages 20 to 24 the decline was 5.6 percent.[9]

The precise causes of this decline are not yet known. Some analysts argue that it is due to increased sexual abstinence among young women, particularly teenagers. Others cite an increased use of contraceptives or a leveling off in the proportion of teenagers who are sexually active. Because of the uniformity in the decline across all states, some analysts have claimed that something is changing in the larger American culture.[10]

Despite the decline in overall birth rates since 1990, however, the proportion of out-of-wedlock births remains high, although there has been a slight drop from a 1994 peak of 32.6 percent to 32 percent in 1995. The absolute number of out-of-wedlock births also declined from 1.29 million in 1994 to 1.25 million in 1995.

While the recent decline in out-of-wedlock birth rates may be heartening, an important question remains: Can the trend be sustained.? Without more detailed knowledge about causes, it's not possible to make valid predictions. Even if birth rates continue to decline, there will not be fewer children born if the population of young women increases faster than the birth rate declines.

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[9] Ventura, Stephanie, J, *et al.* "Advance Report of Final Natality Statistics, 1994," *Monthly Vital Statistics* Report, Vol. 44, No. 11 (June, 1996), Supplement, National Center for Health Statistics, Washington, D. C.

[10] For a review of some preliminary expert opinions on the decline in the birth rates and the proportion of out-of-wedlock births, see: (i) Steven, A, Holmes, "U.S. Reports Drop in Rate of Births to Unwed Women," *The New York Times*, October 10, 1996, pp. 1, 9; (ii) Barbara Vobejda,, "More Evidence of a Declining Teen Birth Rate," *The Washington Post National Weekly*, November 4-10, 1996, p. 38.

Birth Rates Across Racial and Ethnic Groups.

In 1995, out-of-wedlock births declined slightly across all race and ethnic groups. However, Black and Hispanic women are still much more likely than White, non-Hispanic women to give birth out of wedlock. Since population projections for 2005 indicate that the population of young women in race and ethnic minority populations will increase the fastest, out-of-wedlock births will likely increase as well, unless there is some change in the sexual and contraceptive behavior of these young women. A further complication is that most of the evidence about sexual behavior indicates that young women are becoming sexually active at a younger age. In addition, there is no current evidence that marriage rates among young women will increase.[11] Regrettably, the enthusiasm generated by the minor downward trend in both birth rates and out-of-wedlock births is probably premature.

SECTION II: THE LABOR MARKET SITUATION FOR YOUNG ADULTS

Four Types of Labor Market Problems Among Out-of-School Young Adults

The pending flood of teen-agers and young adults in the U.S. population, whose difficulties will be intensified by issues external to the labor market (incarceration, competition from immigrants, and parental status), demands a fresh look at their current labor market problems as well. These problems go well beyond mere unemployment. They include problems that go with limited attachment to the labor force (i.e., young people who give up looking for work,

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[11] U.S. Bureau of the Census. *Statistical Abstract of the United States: 1963 (84th Annual Edition)*, Washington, D. C.: U. S. Government Printing Office, 1963; and

_____. 1985. *Current Population Reports*, "Marital Status and Living Arrangements, March, 1983," Series P-20, No. 389; and

_____. 1995. *Current Population Reports*, "Marital Status and Living Arrangements, March, 1993," Series P-20, No. 478.

often called the "hidden" or "invisible" unemployed), underemployment, low hourly wages, and mal-employment (i.e., the inability to get jobs that use the skills and abilities they do have).

While older adults also experience the same types of labor market problems, their intensity is considerably greater among out-of-school young adults, especially among those with no postsecondary education. That intensity has increased in recent years. To try to understand some of the problems internal to the effort to find suitable employment, we compared four types of labor market problems among 17-to-24-year-old youth, who were not enrolled in school, with the problems of older adults (age 25+). We used findings from the 1995 Current Population Survey (CPS) as our baseline. The problem situations were:

- unemployed, i.e., actively looking and available for work (the "invisible" unemployed are excluded here by definition);
- working part-time (fewer than 35 hours per week) for economic reasons, e.g., slack work at the firm, material shortages, or inability to find a full-time job;[12]
- wants a job now, although the individual has not actively sought work in the last four weeks; and
- the individual worked full-time but his or her gross weekly earnings were less than $300 (the federal poverty line for a family of four).

At the time of the March, 1995, CPS survey, **young adults tended to experience each of these four labor market problems at rates that were typically three times as high as those of older adults (Table 7).**

Even when they do obtain access to full-time jobs, young adults earn considerably less than their older counterparts, and the earnings gap has widened considerably over the past

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[12] Our definition is somewhat less stringent than that used by the Bureau of Labor Statistics in measuring this group. See: Sharon R. Cohany, *et al.*, "Revisions in the Current Population Survey, Effective January, 1995," *Employment Earnings*, February, 1994, pp. 13-37.

two decades. Nearly half of all young adults were experiencing one of the four labor market problems in 1995, and more than half of those were earning less than $300 per week.

Table 7

Percent of the Non-Enrolled Young Adult (17-24 Year-Olds) and Older Adult Population (25+) Experiencing Various Types of Labor Market Problems, March, 1995

Problem Situation	Persons 17-24	Persons (25+)	Young Adults As % of All Adults (25+)
Unemployed	10.0	3.1	322
Employed Part-Time for Economic Reasons	7.2	2.3	313
Not in Labor Force, but Wants a Job Now	4.9	2.2	223
Works Full-Time at a Weekly Wage Less than $300	26.6	8.0	332
Total, All Four Problems	48.7	15.6	312

Source: *March, 1995 , Current Population Survey, tabulations by Center for Labor Market Studies, Northeastern University.*

The ability of young adults to avoid most of these labor market problems tends to vary with the economic cycle. As labor market conditions improve, more young adults are able to find and keep jobs. Real weekly earnings of the full-time employed, however, do not necessarily rise to previous peak levels.

On the upside, compared to 1991, out-of-school young adults in 1995 were moderately more likely to have been in the labor force, less likely to be unemployed, and less likely

to be underemployed—although they were not better paid (Table 8). Clearly, economic growth, by itself, has not been able to boost both employment and the weekly earnings prospects for the nation's young out-of-school adults to any appreciable degree.

Table 8

Percent of the Non-Enrolled Young Adult Population (17-24) Experiencing Various Types of Labor Market Problems, March 1991 and March 1995

Problem Situation	March 1991	March 1995	Percent Change 1991-95
Unemployed	11.1	10.0	-10%
Employed Part-time for Economic Reasons	8.2	7.2	-12%
Not in Labor Force, but Wants a Job Now	5.2	4.9	-6%
Works Full-time at a Weekly Wage Below the Four Person Poverty Line	24.4	26.6	9%
Total All Four Problems	48.9	48.7	-1%

Source: *March 1991 and March 1995 Current Population Surveys, tabulations by Center for Labor Market Studies, Northeastern University.*

The severity of the labor market problems among these young adults varies considerably according to their formal education (Table 9). For example, the share of young adults who were unemployed in March, 1995, ranged from a low of 4 percent for those who had completed 16 or more years of schooling, to a high of 15 percent for those who failed to obtain a high school diploma or a GED certificate.[13]

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[13] National research on the labor market effects for young adult men of a GED versus a regular high school diploma revealed

Table 9

Percent of 17-24 Year-Old Non-Enrolled Youth Experiencing Various Types of Labor Market Problems by Years of Schooling Completed, March 1995 (N=15.3 Million)

Problem Situation	Less than 12 Years	12 Years	13-15 Years	16 or More Years
Unemployed	14.8	10.4	6.9	3.9
Employed Part-Time for Economic Reasons	7.0	7.5	7.7	5.2
Not in Labor Force, But Wants a Job Now	9.3	4.9	2.0	1.1
Worked Full-Time at a Weekly Wage Less than $300	25.2	27.8	27.3	22.9
Any of the Four Problems	56.3	50.6	43.9	33.0

Source: *March, 1995, CPS public use tape, tabulations by Center for Labor Market Studies.*

Notes:

(1) Includes persons with 12 years of schooling but no diploma or GED; certificate

(2) Includes recipients of GED certificates and high school diplomas

The share of all young adults working full-time but earning less than $300 per week varied within a fairly narrow range—from 23 percent among four-year college graduates to as high as 28 percent among the other educational subgroups. **However, only 36 percent of**

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that GED recipients do not fare as well in the labor market as those holding a regular high school diploma.

young high school dropouts were employed full-time, compared to 87 percent of college graduates (Table 10). While seven of every ten high school dropouts employed full-time were unable to earn above the $300 threshold, this was true of only one of every four college graduates.[14]

Table 10

Percent of Non-Enrolled 17-24 Year Old Civilians Working Full-Time and Earning Weekly Wages Above the Four-Person Poverty Line of $300/Week, March 1995

Educational Attainment	Employed Full-time in Wage and Salary Job	Employed Full-Time and Earning $300+ Per Week
All	55	28
Less than 12 Years	36	11
12 Years, Diploma or GED	52	24
13-15 Years	59	32
16 or More Years	87	64

Source: *March 1995 CPS Survey, tabulations by Center for Labor Market Studies, Northeastern University.*

No End in Sight

Combining the four labor market problems yields an overall incidence that ranges from a low of 33 percent for college graduates to a high of 56 percent for high school dropouts. These high rates are likely to continue or intensify

[14] Since 23% of all young bachelor degree recipients were earning under $300 per week and 87% of all such persons were employed full-time more than a quarter of all full-time employed bachelor's degree recipients (23/87) were unable to achieve the minimum weekly earnings standard.

for several reasons. **First, state welfare reforms will soon add many more young adult women to the labor market. Second, the absolute number of young adults will begin to swell over the next decade as members of the "mini baby boom" generation enter their teens and early twenties. Third, racial and ethnic diversity will continue. Fourth, employer skill requirements are likely to increase, placing poorly educated young adults, particularly males, further down the hiring list.**

Changes in the Employment-to-Population Ratio.

Not unexpectedly, the employment-to-population ratio among young adults rises at above average rates during periods of strong economic growth and falls in periods of economic recession. This commonsense correlation was confirmed during the post-recessionary job boom of 1982-89. By 1989, the annual average employment-to-population ratio for out-of-school youth had risen to 72.1 percent. During the recession of 1990-91, however, job opportunities for young adults plummeted by four full percentage points, while in stark contrast the rate for 25-to-65-year-olds fell by only a single point. While employment conditions for young adults have improved in recent years, large employment gaps remain, strongly correlated to years of schooling completed. By 1995, for example, only 50 percent of 16-to-24-year-old high school dropouts were employed, compared to 72 percent of high school graduates and 88 percent of college graduates.

The limited work hours of young, part-time workers carry with them not simply a loss of current earnings, but negative consequences for the potential to earn. Fewer work hours today reduce work experience, which adversely affects tomorrow's wage. More recent research suggests that part-time work has little or no payoff for women.[15] Part-time workers are also far less likely to receive substantive formal training from their employers, particularly the kind with the

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[15] Thomas L. Hungerford, "Full-Time and Part-Time Work Among Young Women," Paper Presented to the Annual Conference of the Association for Public Policy Analysis and Management, Pittsburgh, November 1, 1996.

largest and most consistent payoffs in wages.[16] Part-timers are also less likely to receive important fringe benefits such as health insurance.

The Decline in the Real Earnings of Young Workers, 1973-95

Real (i.e., constant dollar) weekly earnings have been dropping for more than 20 years for young, full-time workers. In 1973, the median, real weekly earnings reached its post-World War II peak, at $440 for men and $332 for women.[17] (Table 11). Since that time, the real, median weekly earnings of both groups have declined considerably. Among young men, constant dollar weekly wages have fallen precipitously, by more than 30 percent. Relative to older men, the weekly wages of young men have fallen considerably, declining from 74 percent to 51 percent (Chart 1). The deterioration in the relative wage position of young men was accompanied by a sharp decline in the absolute value of their weekly wages. These two sets of developments have led to a substantial lengthening of "economic adolescence" for many young men. Delayed entry into career jobs for many young men has, in turn, reduced their ability to form independent households, marry, and provide adequate economic support for their children, especially among those men who failed to complete any postsecondary schooling.

Among young women who are employed full time, weekly earnings in constant dollars also have declined over the past two decades, although at a more moderate pace than for men. For the entire 1973-1995 period, the median, real weekly earnings of women fell by 17 percent, compared to 31 percent for men. Somewhat surprisingly, young women have

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16 Lynch, Lisa, "Payoffs to Alternative Training Strategies at Work," in *Working Under Different Rules*, (ed: Richard B. Freeman), New York: Russell Sage Foundation, 1996, pp. 63-95.

17 Andrew Sum, Neal Fogg, and Robert Taggart, *From Dreams to Dust: The Changing Economic Fortunes of America's Young Adults*, Baltimore: Sar Levitan Center for Social Policy Studies, Johns Hopkins University, 1996.

fared quite poorly in the recent economic recovery. While job opportunities for young women improved, their real weekly earnings fell by 8 percent.

Table 11

Median Real Weekly Earnings of Full-Time Employed Young Adults Under 25 Years of Age, by Gender: U. S. 1973-95 (Constant 1995 Dollars)

Year	Men	Women
1973	440	332
1979	403	317
1989	333	302
1991	319	298
1995	303	275
Percent Change, 1973-95	-31.1%	-17.2%

Sources: (i) *May, 1973 CPS survey; tabulations by Center for Market Labor Studies, Northeastern University; (ii) Employment and Earnings, Various Issues, U. S. Bureau of Labor Statistics*

Of all age groups, then, young workers have experienced the most severe deterioration in their earnings position over the past few decades, most prominently among young men with no postsecondary schooling. These steep earnings declines have lengthened the time needed by many young adults to achieve economic independence and form their own households, and they have placed many young families and their children at risk of poverty and dependency.[18]

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[18] Andrew Sum, Cliff Johnson, and Neal Fogg, "Young Workers, Young Families, and Child Poverty," in *Of Heart and Mind: Social Policy Essays in Honor of Sar Levitan*, (eds: Garth Mangum and Stephen Mangum), Kalamazoo: W.E. Upjohn Institute, 1996.

Chart 1
Median Weekly Earnings of Young Men (16 to 24) Relative to Older Men (25 and Over), 1967-1995

Less Schooling, Lower Earnings.

The earnings value of schooling is substantial, and in fact, lifetime earnings correlate higher with length of education than with any other factor. Native-born men who obtain a high school diploma or GED certificate can expect, on average, to early almost $420,000 more over their working life than those who leave school. For women, the figure is $284,000 more, which is double the lifetime earnings of those who do not complete high school. Men earning an Associate's degree can expect to earn, on average, $277,000 more in their lifetimes than high school graduates, but female Associate degree holders can expect to earn an average of $333,000 more in their lifetimes (the difference from males is due to a 40 percent higher wage and 15 percent more work hours over a lifetime). Men earning a four-year degree can expect to earn $1.8 million in their lifetimes, compared to just over $616,000 for high school dropouts. Among women, four-year degree holders can expect to earn an average of $1.1 million in their lifetimes,

while women who drop out of high school average just over $260,000.[19]

Looked at another way, if we assume 45 years in the workforce, men who do not obtain a GED or high school diploma can expect to be poor or near poor for 14.3 of those years—almost a third of their working lives. Among women, the figure will be 20 of the 45 years.[20] Women with only a high school diploma would be expected to encounter poverty or near-poverty problems only a third as often as a female high school dropout; an Associate's degree would reduce the expected years in poverty by another 40 percent.[21]

Out-of-school youth are also less likely to reap the other benefits of being employed. Connections with labor unions, private health insurance, Medicaid, paid-for training, and other advantages are scarce. During 1995, for instance, 35 percent of out-of-school youth lacked any type of health insurance coverage, versus only 15 percent of those ages 35-50 and 1 percent of those over 65.

SECTION III. STRATEGIES AND OUTCOMES

The labor market problems of many out-of-school young adults are likely to remain with us over the next decade and may indeed intensify, particularly as more young adults begin to enter the labor market. But some important steps can be taken. Young adults themselves, the nation's high schools, youth employment and training agencies, postsecondary educational institutions, and employers in both the private and public sectors all have a role to play. The rest of this chapter assesses the roles of formal schooling, academic achievement, literacy proficiencies, early

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19 Current Population Survey, U.S. Bureau of the Census, March 1996.

20 *Ibid.*

21 *Ibid.*

work experience, and employer-based training in creating opportunities for young adults.

Formal Education Strategies for Out-of-School Youth

Full-time employment rates for men and women rise continuously and substantially with educational attainment. Among 18-24-year-old males, fewer than half of those lacking a high school diploma were working full-time in early 1995. By contrast, the full-time employment rate for men with a high school diploma was 70 percent, and increased further to 77 percent for Associate degree holders and 82 percent for all four-year college graduates.

Among women, the association between educational attainment and full-time employment status is even stronger. Women with a high school diploma were twice as likely as dropouts to be working full-time, and women with a bachelor's or higher degree were nearly three times as likely as dropouts to be holding a full-time job in March, 1995 (Table 12).

When employed, the average weekly earnings of 18-to-34-year-olds tended to vary considerably with their formal educational attainment, reflecting the effects of both higher hourly wages and more hours of work per week. The wage differentials across these four educational groups are quite large. The average weekly earnings of males lacking a high school diploma were only $323 in March, 1995, compared to $420 for high school graduates, $562 for those with an Associate's degree, and nearly $680 for men who had completed four or more years of college. Similar differences prevailed among women. The average weekly wages of female high school graduates ($296) were 34 percent higher than those of school dropouts ($221), while employed Associate degree holders enjoyed a 34 percent advantage over employed high school graduates. Women who completed four or more years of college earned $536 per week, 35 percent higher than the mean weekly earnings of Associate degree holders.

Table 12

Selected Employment, Earnings, and Income Outcomes for 18-34 Year Old Women[1] in the U. S., by Educational Attainment: 1995

Labor Market Outcome	All	High School Dropout	High School Graduate	Associate Degree	Bachelor's Degree or Higher
Employed Full time	48.1%	22.8%	44.1%	57.5%	64.2%
Mean Weekly Earnings of the Employed[2]	$375	$221	$296	$396	$536
Percent Who Were Poor or Near Poor[3]	22.4%	58.0%	27.0%	11.7%	5.0%

Notes:

(1) Estimates exclude 18-24-year-olds enrolled in school at the time of the survey and persons born outside the U. S. who migrated to the U. S. after 1980.

(2) Only wage and salary workers, both full- and part-time

(3) Poor and near-poor status of females based on 1994 income data for their families

Source: March, 1995, *CPS survey, tabulations by Center for Labor Market Studies, Northeastern University.*

Basic Academic Skills and Literacy

Our analyses indicate that efforts to bolster the academic achievement and literacy proficiencies of youth, both in - and out-of-school, should receive a major emphasis from national, state, and local educational policy makers. The basic academic skills of adolescents (reading, mathematics, writing, critical reasoning) exert a major influence on their educational desires and expectations, their school behavior and performance, their high school graduation rates, and their enrollment and completion of post-secondary schooling.[22]

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[22] Andrew M. Sum and W. Neal Fogg, "The Adolescent Poor and the Transition to Early Adulthood," in *Adolescence and Poverty:*

National longitudinal research over the past decade has shown that adolescents with stronger academic proficiencies enroll more often in academic courses during high school, spend more of their school hours in such courses, and do more homework. Students with weak academic skills are much more likely to fall behind academically, to experience more serious attendance and behavioral problems, and to leave school before graduation. Of those who drop out, the return rate to school and GED programs is higher for those with stronger academic proficiencies. Among those who enroll in GED preparation programs, pass rates are also considerably higher for those with stronger basic academic skills; academically stronger GED holders are also more likely to complete some postsecondary schooling.

Literacy and mathematics proficiencies also have important wage payoffs, particularly as young adults reach their mid-twenties[23]; the size of the payoff grows as adults gain more experience in the labor market. The age/earnings profiles of more literate workers are considerably steeper than those for less literate workers.[24]

Using Early Work Experiences of High School Youth as Leverage

A third strategy for improving the early post-high school labor market experiences of out-of-school young adults is to increase the number, intensity, diversity, and quality of work opportunities, especially for high school students from low-income families, poor neighborhoods, and racial and

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Challenge for the 1990s, (eds.: Peter B Edelman and Joyce Ladner), Washington, D. C., Center for National Policy Press, 1991.

23 Richard J Murnane and Frank Levy, *Teaching the New Basic Skills*, New York: The Free Press, 1976; Andrew M. Sum, *Literacy in the Labor Force*, Report Prepared for the National Center for Education Statistics, Washington, D. C., 1996.

24 Andrew M. Sum, and W. Neal Fogg, "The Adolescent Poor and the Transition to Early Adulthood," in *Adolescence and Poverty: Challenge for the 1990s*, (eds.: Peter B Edelman and Joyce Ladner), Washington, D. C., Center for National Policy Press, 1991.

ethnic minorities. **A substantial literature now indicates that employment during the high school years has consistently favorable short- and long-run effects on employability and earnings, especially among those who do not go on to complete any substantive postsecondary education.**

National and local research findings on the labor market behavior of non-college bound youth indicate consistently that youth who participated more frequently and intensively in the labor market during their high school years tended to experience a smoother transition into the labor force in the first year following their graduation from high school.[25] Those students who were attached to the labor market more frequently and intensively during the junior and senior years of high school tended to participate more actively in the labor force and encountered fewer and shorter periods of unemployment in the first year following their departure from high school.

The impacts of in-school employment persist for fairly long periods of time, raising the employment prospects of young adults for the first four to seven years following graduation from high school.[26] The in-school employment

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[25] See: (i) Irwin Herrnstadt, Morris A. Horowitz, and Andrew Sum, *The Transition from School to Work, The Contribution of Cooperative Education Programs at the Secondary Level*, Report Prepared for the Office of Research and Development, Employment and Training Administration, U.S. Department of Labor, Washington, D. C., 1979; (ii) Robert H. Meyer and David A. Wise, "High School Preparation and Early Labor Force Experience," in *The Youth Labor Market Problem: Its Nature, Causes and Consequences*, pp. 277-347; (iii) Robert H. Meyer and David A. Wise, "The Transition from School to Work: *The Experiences of Blacks and Whites*, National Bureau of Economic Research, Working Paper No. 1007, Cambridge, Mass., October, 1982; (iv) Wayne Stevenson, "The Relationship Between Early Work Experiences and Future Employability," in *The Lingering Crisis of Youth Unemployment*, Kalamazoo: W. E. Upjohn Institute for Employment Research, 1978.

[26] Meyer, Robert H, "Job Training in the Schooling" and (ii) Meyer, Robert H. and Wise, David A., "The Transition from School to Work: The Experiences of Blacks and Whites".

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experiences of non-college bound high school students also have a positive effect on their hourly and weekly wages in the early post-graduation years. Youth who were employed more frequently and intensively during their high school years earned higher hourly and weekly wages in their early adult years.[27]

But there are also long-term gains. Students who worked during their senior year of high school had significantly higher annual earnings than their non-employed counterparts seven to ten years after high school.[28] Young adults with 20 or more hours of work per week obtained jobs in higher status occupations and were more likely to receive health insurance and pension coverage than peers who did not work during their senior year.

Employer-Based Training Experiences of Young Adults

A fourth strategy for improving the labor market prospects of young adults involves more training, especially apprenticeships and formal training from employers.[29] The track record of vocational and technical training programs outside the work place, including government-funded training programs, is much more mixed than in the private sector. Secondary and postsecondary occupational training

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[27] Ronald D'Amico and Paula Baker, "The Nature and Consequences of High School Employment," in *Hearings on Youth Incentive Employment Act*, Subcommittee on Employment Opportunities Committee on Education and Labor, U. S. House of Representatives, Washington, D. C., May 1984.

[28] Christopher J. Ruhm, "The Extent and Consequences of High School Employment," Journal *of Labor Research*, Summer, 1995, pp. 293-303.

[29] Lynch, Lisa M, "Payoffs to Alternative Training Strategies at Work," in *Working Under Different Rules*, (ed., Richard B. Freeman), New York: Russell Sage Foundation, 1994. See also: (i) Stephen L. Mangum and Arvil V. Adams, "The Labor Market Impacts of Post-School Occupational Training for Young Men," *Growth and Change*, Fall 1987, pp. 58-78; (ii) Patrice Flynn, "Training Workers for Evolving Jobs," *Workforce*, Summer 1993, pp. 33-37.

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activities are more likely to succeed in raising the wages and earnings of young adults when they are part of a structured training course, when they are combined with a solid core of academic training, and when they lead to jobs in which new occupational skills are applied on the job.

However, training experience echoes the biblical dictum that "unto those who have, more shall be given." A study by the National Longitudinal Survey of Youth of the type, incidence, and intensity of training experiences for young adults ages 21-to-28, over a six year period, found that 38 percent received some type of employer-sponsored training. **Better-educated young adults were considerably more likely to receive employer-based training. Some 19 percent of school dropouts received such training, as did 34 percent of high school graduates, but 50 percent of college graduates received it.**[30]

The likelihood of workers receiving training from their employers depends not only on their own traits but also on the characteristics of the establishments where they work and the characteristics of their jobs.[31] Larger and more complex companies, for example, are significantly more likely to provide training to their workers. Similarly, young workers who are members of labor unions are more likely to receive apprenticeship training or on-the-job training, as are those who hold full-time jobs and occupations with a higher socioeconomic status. Training among young workers also varies widely by industry, ranging on the low end from about four percent in farming and eight percent in retail trade to

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30 Veum, Janathan, "Training Among Young Adults: Who, What Kind, and for How Long?", *Monthly Labor Review*.

31 See: (i) Lynch, Lisa,, "Race and Gender Differences in Private Sector Training for Young Workers," *Industrial and Labor Relations Association*, 41st Annual Proceedings, Madison, pp. 557-566; (ii) Joseph G. Altonji and James R. Spletzer, "Worker Characteristics, Job Characteristics, and the Receipt of On-the-Job Training," *Industrial and Labor Relations Review*, Vol. 45, No. 1, 1991, pp. 58-79; (iii) Jerry A. Jacobs, Marie Lukens, and Michael Useem, "Organizational, Job, and Individual Determinants of Workplace Training: Evidence from the National Organizations Survey," *Social Science Quarterly*, Vol. 77, Number 1 (March, 1996), pp. 159-176.

highs of 25 percent in finance and 35 percent in public administration. It scarcely needs to be pointed out that employed teenagers and young adults tend to be over-represented in smaller firms and in industries where training is less frequently provided.

Table 13 compares the weekly earnings of those whose jobs did not require previous training with earnings from jobs that provided additional training upon employment. Full-time employees who had required training to qualify for their jobs, and who had taken some training to improve their skills since being hired, obtained median weekly earnings 80 percent higher than those with no training. **In each educational attainment subgroup, the weekly wages of those workers with required and supplementary training were consistently 46 to 54 percent higher than those of their counterparts without such training.**

Table 13

Median Weekly Earnings of Full-Time Workers (16+) by Training Status and by Educational Attainment, U.S., 1991

Educational Attainment	(A) All Employed	(B) No Qualifying Training Needed and None Taken to Improve Skills	(C) Qualifying Training Needed and Training Taken to Improve Skills	(D) Col. C/ Col. B (in %)
All	$439	$314	$566	180
Fewer than 12 Years	$287	$263	$405	154
12 Years	$374	$314	$465	148
13-15 Years	$459	$353	$515	146
16 or More Years	$639	$561	$683	148

Source: Alan Eck, "Job-Related Education and Training: Their Impact on Earnings", *Monthly Labor Review*, October 1993. Right-hand column calculations by the authors.

Future efforts to increase the incidence and amount of formal training received by young adults should seek to persuade employers in the retail trade and private service industries to provide more such training. Youth employment and training systems also should give priority to promoting innovative efforts that could improve the economic capacity of smaller firms to offer more training for young workers.

CHAPTER TWO

INVESTMENTS IN PEOPLE MATTER

by Stephen Mangum and Nancy Waldeck

It's tough being a kid. Just ask one. Nevertheless, most young people survive adolescence and young adulthood to become successful adults. The odds are better, of course, for those who do not start out in poverty, but even among those who do, many are able to leave their poverty behind. What makes the difference between those who succeed and those who do not? Are the factors that predict success immutable, or can they be influenced by policy? This chapter addresses these critical questions.

In Chapter One, Andrew Sum, Neeta Fogg, and Neal Fogg have already provided a detailed statistical picture of the large-scale economic and social forces that affect the environment in which youth function. This chapter takes a further step in the same direction. We use the Youth Cohort of the National Longitudinal Surveys of Labor Market Experience (NLSY) to examine critical factors in the transition of 7,194 young people who were in school in 1979 and out of school by 1984. We divided them into three groups (Table 1): (1) those leaving school with less than a high school diploma, (2) those who completed high school, and (3) those who had more than 12 but less than 14 years of school.

Table 1

Characteristics of the Sample: Educational Attainment as of 1984

	Totals	Less Than High School Completion	High School Completion	12+ But Less Than 14 Years
Males				
Non-Black	2,459	555	1,320	584
Black	1,120	297	598	225
Females				
Non-Black	2,526	503	1,350	673
Black	1,089	232	562	295
Totals	7,194	1,587	3,830	1,777

Source: National Longitudinal Surveys, Youth Cohort

Characteristics Contributing to Labor Market Success

The measures of labor market success we tracked were: average wage and salary income level, average number of weeks worked, and average number of weeks unemployed. Table 2 shows averages of the results of these measurements for each of the three educational groups; the results conform to expectations for both weeks worked and rises in income associated with education. Averages for some characteristics that are thought to contribute to labor market success are found in Table 3.

These averages are also consistent with expectations. For example, after statistically controlling for other characteristics: non-Blacks were more likely to experience labor market success than blacks; men earned more than women; and the educational level of parents influenced both the educational attainment and earnings of their children.

Although parental poverty did not dictate outcomes, it certainly predisposed children to poverty. While none of these particular characteristics was subject to change, there are other factors, discussed below, that can offset negative influences and work to improve outcomes for children who were potential victims.

Table 2

Labor Market Outcome Measures by Level of Educational Attainment (Means)

Labor Market Outcomes	Less Than High School Completion	High School Completion	12+ But Less Than 14 Years
1993 Total Wage and Salary Income	$9,733	$16,185	$22,531
Weeks Worked in 1993	29.3	38.8	42.4
Weeks Unemployed in 1993	4.39	2.81	1.91
Wage and Salary Income Above Median (1=Yes)	0.273	0.465	0.626

Source: National Longitudinal Surveys, Youth Cohort

As Sum *et al.* show, educational attainment itself predicted lifetime earnings, boosting both hours worked and wage and salary earnings. Education's influence also extended across both race and gender. Marriage was a positive reinforcer of earnings for men, but less positive for women. Family size, however, was a negative predictor, since poverty is measured in part by the number of persons sharing a packet of earnings. Intellectual capacity, as indicated by the respondent's score on the Armed Forces Qualification Test (AFQT) was also a consistent predictor of individual income. Self-esteem correlated positively with employment and earnings as well, as did scores on the work commitment scale. Having one's wages collectively

bargained, raised earnings, as did company-provided training. All these conditions held across gender and racial lines.

Table 3

Mean Values on Characteristics Thought to Influence Labor Market Success

	Less Than High School Completion	High School Comple -tion	12+ But Less Than 14 Years
Sex (% Female)	46	50	55
Race (% Black)	33	30	29
% Married	42	56	58
Family Size	3.6	3.3	2.9
Years Mother's Education	8.8	10.5	11.8
Years Father's Education	8.6	10.5	12.1
% Poor in 1979	41	21	13
AFQT	14.3	34.1	52
Personal Control	10.5	11.1	11.6
Self-Esteem	30.2	32	33.3
Work Commitment	4.7	4.9	5
Urban Residence	0.79	0.78	0.85
Wages Collectively Bargained	0.159	0.215	0.182

Source: National Longitudinal Surveys, Youth Cohort

The Downside

Several factors had negative consequences for labor market outcomes (Table 4). Statistically controlling for other

factors, conviction as an adult for an illegal act had significant impacts generally, and for males in particular. Conviction as a juvenile, however, had to be accompanied by frequency to become a significant factor in determining future employment and earnings.

Table 4

Mean Values on Characteristics Thought to Influence Labor Market Success

	Less Than High School Completion	High School Completion	12+ But Less Than 14 years
Ever Convicted as an Adult	0.097	0.051	0.027
% Using Drugs, 1984	0.26	0.26	0.23
% Using Drugs, 1992	0.37	0.36	0.35
% Where Drinking Caused Job Problems	0.045	0.047	0.044
Health Limits Kind of Work	0.055	0.042	0.031
Health Limits Amount of Work	0.044	0.033	0.022

Source: National Longitudinal Surveys, Youth Cohort

Overcoming the Negatives

But most of these negative factors can be overcome, or at least alleviated. For example: the higher the level of educational attainment, the higher the marriage rate and the smaller the family size; personal control, self-esteem, and work commitment rise with education; the frequency of health conditions limiting work is lower among those with higher educational attainment (Table 4). The percentage of respondents ever convicted of an adult offense declines with

education as well, but there is little variation across educational categories with respect to drug use or problem drinking. Naturally, potential work experience is highest among those leaving school earliest, but this advantage is more than offset by the negative impact of limited education. Moreover, the more education one has, the likelier one is to obtain more. Thus, apprenticeship and vocational education are more likely among those who complete high school than in either of the other two educational groups. The highest participation in government-sponsored training programs is found among those with less education because less education is a prerequisite for such programs.

All of this argues that education is a prime determinant of future earnings, and that education in turn leads young people to more productive choices in later life. But these data also argue that earnings gains and the likelihood of more education come to those who avoid experiences such as criminal activities.

But What About the Children of the Poor?

Which of these factors can effectively help at-risk youth rise from poverty? Youth in the NLSY cohort who were in poverty households in 1979 were significantly less likely than their nonpoor peers to avoid poverty during adulthood. Nonetheless, all the familiar prescriptions for alleviating poverty were effective; poor youth just had to crawl out of deeper holes. While Blacks still earned less than non-Blacks on average; the difference between them was no longer significant among the poor of both races. Poor women still earned less than poor men. Being married had a positive influence among the earnings of the poor as well as among the nonpoor. Family size was a negative factor for both sexes in both income classifications. Greater cognitive ability, self-esteem, and work commitment were rewarded as much for the poor as for the nonpoor. For both males and females who had lived in a poverty household in their formative years, residing in an urban area meant higher wages on average, although this measure was significant only for females. Conviction for illegal activity was correlated with lower earnings, particularly for individuals of both sexes. in poverty households in 1979, but significantly so only for females. Those whose wages were set by collective bargaining averaged significantly higher earnings than those

PROGRAMS OF PRINCIPLE:*

The Center for Employment and Training (CET)

CET is a private nonprofit education and training program headquartered in San Jose, California. It has operated as many as 25 sites in California, Arizona, and Nevada. Based on results verified by evaluation studies, the Department of Labor is now funding 17 CET replication sites around the country.

CET's approach to training is unusual: it teaches educational and vocational skills simultaneously. Program staff believe that people who need remedial help will be more motivated if they see education as directly related to a job. In a construction trades course, students learn the math to read blueprints; those learning office skills write memos.

The program occupies 35-40 hours a week, over about six months. Well-paid instructors are veterans of industry, with an average of five years of experience in their area of expertise. CET seeks to model training sites after the work environment as closely as possible, right down to the time clocks students must punch.

CET describes its program as open-entry, open-exit. Students are not screened in or out through assessment testing, nor are they handed a diploma or shown the door in a specified period of time. Students choose their own area of training after an initial period of "sampling" and then pace themselves, staying in training until they have mastered the necessary competencies for their program. They don't really graduate; they stay in training until they get a job. CET helps them find jobs, and if they should be laid off, helps them find another, or retrains them in a different occupation.

CET maintains close ties to the local business community to make sure their trainees fit local needs and standards. As a result, CET students usually have a better chance at employment. A graduate placement rate of 90 percent at original program model sites attests to the validity of both the training approach and the business connection.

***Note:** The "Programs of Principle" described in this document are those whose design and implementation takes seriously the principles presented in Chapter 4.

whose wages were not, regardless of sex or the 1979 poverty status of their households.

Educational attainment, as expected, was very important in differentiating labor market outcomes. Longer tenure with an employer contributed positively to earnings in both povertyand nonpoverty households, but more significantly so in nonpoverty households. Within the poverty household group, the impact of job tenure was significant for males but not for females. Among job-training categories, company provided training was an important determinant of greater labor market rewards in 1993, again for both sexes and without respect to poverty or nonpoverty status in earlier life.

Being male, being married, and having one's wages collectively bargained correlated with higher earnings regardless of the education level in 1984, or poverty status in 1979. Blacks earned significantly less than non-Blacks in both the Less Than High School and High School Completion categories for nonpoor individuals in 1979. Interestingly, although additional educational attainment between 1984 and 1993 was a consistently positive influence on wage and salary earnings, it was not statistically significant in explaining wage and salary differences in 1993, whether for poor or nonpoor households. For individuals who had lived in nonpoor households in 1979, both tenure with an employer and receiving company-provided training contributed significantly to 1993 earnings across all three education levels.

What Can Be Done?

Comparing those who came from both poverty and nonpoverty households in 1979, we found that, in 1993, the wage and salary earnings of those from poverty households were significantly lower than the wages and salaries of those who had come from nonpoverty households. But the same factors seemed to contribute positively to the earnings of the poor and the nonpoor. Some of these factors are immutable: being Black, being male, and the lack of choice as to one's parents are examples. Other characteristics cannot be changed over the short run, but can be influenced over generations, e.g., greater cognitive ability (as measured by AFQT score), for example, was consistently associated with improved labor

market success. Similarly, improved prenatal care, policies that discourage "babies from having babies," and investing in early childhood programs like Early Head Start can all have profound impacts on cognitive ability.

Other factors can also be changed, but are not likely to have policy relevance. Being married, living in an urban location, and having wages set by collective bargaining were all significantly associated with better than average labor market outcomes. The fact that these relationships exist, however, does not suggest that efforts to promote marriage, urban relocation, or a policy promoting labor organizing among the poor will necessarily improve their labor market success.

On the other hand, a number of factors associated with better than average labor market success are susceptible to policy influence. Involvement in the criminal justice system clearly diminishes the chances of success; thus, efforts to reduce the likelihood and frequency of running afoul of the law should have a positive long-term impact on earnings. Greater self-esteem, especially among females, is significantly associated with higher earnings; this can be taught, not only via the acquisition of skills but also through close personal relationships with positive adult role models. Such role models can also be keys to helping young people avoid situations that can lead to involvement in the criminal justice system.

We repeat the point to emphasize: the effect of educational attainment on labor market success was greater than that of any other factor. Although returning to school after having dropped out had a positive effect, the effect of staying in school was even stronger. Successful efforts at keeping at-risk young adults in school yields labor market dividends. Programs serving at-risk, out-of-school youth should stress the positive impact of educational attainment on earnings as part of their advocacy rationales.

Finally, the consistency of the impact of company-provided training and length of tenure with a single employer both speak to the importance of gaining access to career ladders and to specific skills that will promote success within labor markets internal to companies. The analyses presented here clearly suggest that attempts to help at-risk, out-of-school youth must maintain a labor market focus, and that these policies should be tied to the labor market through expanded and continuing relationships with employers who offer quality work opportunities.

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CHAPTER THREE

TALES FROM THE BRIGHT SIDE: Conversations with Graduates of Youth Employment Programs

by Edward DeJesus

"I would say it's a mental attitude. It's an attitude! If you want to succeed, all you have to do is take the right steps to succeed. But if you don't, then there's nothing or nobody that's stopping you. A lot of us young people, we come up with excuses: It's this thing or that thing. The government is doing this, that, and the third. And it's not really that! If you want to succeed, there's people out there that will help you. There's information which you can get. You just have to take the right steps and the motivation to go out there are get it."

STRIVE Program Graduate, 23 years old
Employed at $17,680 for more than 1 year
High school graduate

In our quest for answers to the perplexing problems of youth employment, we have tried school-, work-, and community-based learning strategies. We implemented vocational, basic, and interpersonal skills training. We developed school-to-work, work-to-school, and work-to work opportunities. With all these efforts, we still know little about what makes a "successful" young adult.

Perhaps part of the answer lies in speaking with, and listening to, those who know most about what it takes to "make it"—young adults themselves. In this report we tried to take the first step in speaking with young adults, specifically out-of-school young adults, about what it took to achieve labor market success. Their tales—stories about youth who, despite numerous barriers in their lives, graduate from college, start careers, and live lives of purposefulness—are an important source of information that can help determine "what works." Yet stories like these are rarely found. When they are, they are seldom examined critically for their lessons. Millions of out-of-school young adults beat the odds. Instead of focusing on their failures, we need to focus on their successes. We need to listen to their tales—tales from experience; tales from the heart. These "Tales from the Bright Side" have been undervalued and overlooked. Here, then, are the results of interviews with 30 youthful graduates of 10 programs in 6 states, all of whom have successful retained employment for a year or more.

The programs that assisted these youth in making this transition were dispersed across six states. One common element of all the programs was their commitment to improve the lives of program participants, either through direct job placement or placement into institutions of higher education. The programs that participated represent the following:

- Center for Employment and Training (CET) sites,
- Job Corps,
- Conservation Corps,
- YouthBuild,
- STRIVE
- JTPA IIC Programs,
- Privately Funded Initiatives, and
- Alternative/Charter Schools.

Introduction

In our conversations with young people who were out-of-school, who completed employment and training programs, and who have been employed for at least one year, five observations stood out.

First, getting a job may not be sufficient for out-of-school youth to achieve long-term success. According to interview and focus group participants, *the most critical outcome for youth is a change in mentality and outlook on life.*

Second, successful young adults are driven by an internal "awakening," a positive sense of self in relation to society. Interview and focus group participants spoke of their own personal motivation to succeed and the program's ability to sustain and develop that motivation as a major factor in their success. Several program activities contributed to this "awakening". They describe them as:

- activities that engage and expose young adults with diverse positive adult role models;
- activities that build confidence and self-esteem;
- activities that teach interpersonal and communication skills;
- activities in which young adults feel support and genuine concern;
- activities that help young adults realize their educational objectives; and
- activities that allow young adults to be of service to the larger community.

Third, continued support and guidance are necessary if youth are to achieve long-term labor market success. Interviewees and focus group participants spoke of their need for help in continuing their education and developing their professional careers. For most young adults in this study, once the program completed there was little, if any, formal interaction with program staff.

Fourth, there is no common profile of a "successful" young adult. Interview and focus groups participants were very diverse. The one shared characteristic among them was

their negative outlook on the future and a lack of motivation--prior to enrolling in the program.

Fifth, successful young adults have an increased sense of social awareness. Interview and focus group participants spoke of the value of service to their communities for their future careers and its positive contribution to a decision to return to school.

The comments of the young people in this study strongly suggest that they can contribute much to the discussion of how to effectively prepare young adults for the labor market. One result of analyzing their "take" on their experience is an increased awareness of the significant impact that program activities have on young adults. It is instructive to note the parallel between the views of the young people expressed here and the research-based principles for effective programming discussed by Gary Walker in Chapter Four.

Although the young adults who participated in this study shared few similarities, they shared common problems. One was the lack of genuine work and learning opportunities available to them once they left high school. Prior to enrollment in a program, most of the young adults we spoke to were not doing anything exceptionally positive. Their plight, characterized by boring days, low-wage employment, incarceration, homelessness, and just "hanging out," soon became a burden they did not want to continue to shoulder.

> *"I was playing football at city college, I needed a job. I stopped going to school because I just did not like it anymore. When I stopped going to school I realized I had no skills. I got into trouble. I needed money. I was convicted of a felony but never served time."*
>
> *Program Graduate,*
> *Employed at $24,000 for 4 years*
> *High school graduate*

> *"I had moved to San Francisco from San Diego. I was on drugs, I didn't even have a place to live. I moved to San Francisco to try to get it together and I wasn't getting it together. I worked in a skateboard factory and a grocery*

store. I later went to prison. I was out for six months and started blowing it again."

Program Graduate, 24 years old
Employed at $18,500 for 4 months
High school graduate

What Matters Most

In trying to improve program services and gain a better understanding of the economic reality faced by young people, policy makers and researchers have relied, for the most part, on quantifiable research data. In examining "what works" to increase the labor market success of out-of-school youth, we decided to go beyond the analysis of statistical data and speak directly to youth who, whatever the obstacles, have successfully completed a program and remained consecutively employed for a year or more. They shared their views on what mattered most to them during program participation.

Counselors. Pinpointing the specific interventions that led to participant success was difficult. All young adults said that a variety of things led to their success, both inside and outside the program, but the majority spoke of the positive interaction with counselors as having the greatest impact. Frequently a specific counselor, teacher, or administrator was mentioned as someone with whom they connected. This person advocated on their behalf and made the extra attempt to help. But most important was the feeling that someone was there for them to talk with about issues, needs, and even such matters as baseball scores and current events.

"The counseling worked for me. I never had counseling my whole life, even with my parents. We didn't have the greatest relationship. At the program, I had 15 people I could talk to."

Program Graduate,
Employed at $16,000 for 14 months
Dropout

PROGRAMS OF PRINCIPLE:*

STRIVE

STRIVE, located in East Harlem, New York City, prepares, trains, places, and supports inner-city youth and young adults in long-term employment experiences. It places a priority on youth who are most in need, especially those from families in poverty. STRIVE's services include case management, career development, counseling, alumni activities, personal development and educational advisement. STRIVE also stresses employment intervention, attitudinal development, and post-placement support.

STRIVE serves out-of-school students between ages 18-25, children phasing out of the foster care system, former substance abusers, public assistance recipients, single parents and ex-offenders. Participant information and program outcomes are systematically tracked and reviewed on a daily, weekly, and monthly basis. Approximately half of STRIVE's staff members are graduates of the training. STRIVE commits to a minimum of two years of follow-up and post-placement services.

STRIVE also manages a consortium of New York City employment training and placement programs based on STRIVE approaches and concepts. The network includes organizations committed to the helping professions, including local development corporations, settlement houses, multi-service organizations, a substance abuse treatment association, a foster care agency, and an ex-offender service.

STRIVE's close relationships with employers have enabled the program to place more than 11,000 young men and women in unsubsidized jobs in more than 120 different companies in New York City. Follow-up evaluations have shown a 75 to 80 percent retention rate.

***Note**: The "Programs of Principle" described in this document are those whose design and implementation takes seriously the principles presented in Chapter 4.

"For me it was the staff that made the difference. They were there for me whenever I needed to talk to someone. In the past, when problems came up it would have led me to the streets to deal with the problem. But the staff talked with me, we settled the problems all the time. They showed me how to get around problems."

Program Graduate
Employed at $16,000 for 14 months
High school dropout

Although they expressed the comfort and respect of dealing with someone who shared a common experience, what mattered most was that the staff were genuine and concerned. Most young adults received little attention during their high school years, often feeling unsupported and left to the side. They did not want to repeat the same negative experience in the program. The small size of the program provided them exactly what they needed: care and attention.

"It was difficult toward the end of high school. There was no hope but to work as a grocery clerk and stay with my parents until I married. [I had] no contact with a counselor while in high school to help me pursue college. · When I graduated, I wanted to find extra training to get me out of the rut so I would not stay a grocery clerk."

Program Graduate, 24 years old
Employed at $24,000 for 20 months
High school graduate

Education and Workplace Competencies. Participants, high school graduates and dropouts alike, credited the life-skills and preemployment training they received as invaluable factors in their success. Most of these young adults were seriously lacking any real knowledge of workplace attitudes and behaviors. It is easy to see how young adults would miss so much of this, especially, if it was not reinforced at home or in school. Most young adults, when asked to name three things that the program taught them that they are using on their job today, responded: how

to handle problems, how to get along with others, and how to work in a team. They also valued problem and conflict resolution, interviewing and job-keeping skills.

Interview and focus group participants thought about success in the longer term, not just as completing one goal. They valued programs that gave them credentials, taught them how to cope with the world of work, and suggested paths to higher education. Their definitions of success went beyond wages earned and weeks worked. For many, success will not be reached until they finish their educational pursuits. Obtaining the GED aided in building confidence, which led to an increase level of awakening. Most importantly, the young adults' experience in the labor market showed them the need to continue their education. Without continued schooling, most young adults felt severely limited in their earning potential and occupational choices. While some young adults were currently enrolled in college, many others were still trying to find their way in.

"I want to go to college. I don't know if I want to be in day care. There is no money in it."

Program Graduate, 24 years old
Employed at $13,000 for 1 year
High school dropout

"I want to go back to school and study social work for children."

Program Graduate, 24 years old
Employed at $24,809 for 2 years
High school dropout

"Besides the interviewing skills, they helped us to learn about office politics—how to be courteous to your boss. Most of the stuff I do on my job I learned at the program."

Program Graduate, 22 years old
Employed at $20,000 for 2 years
High school dropout

"It got me used to regular work—things that other people are normally used to. Such as being there on time and not calling in sick when you don't have to. I think the strictness of the program worked for me. You can't just be flaky on the job; they stay on you and teach you how to hold a job. Being strict is a good thing."

Program Graduate, 25 years old
Employed at $24,809 for 2 year
High school dropout

Program Environment. The program environment was also a major factor that led a young adult to success. Most young adults reported a fair and egalitarian environment. There was little tracking of the high achievers, and for that matter, the low achievers as well. Students spoke of helping out in classes with other students who were not keeping up with the group. More importantly, students talked of being exposed to other cultures and races. One student clearly expressed that he quickly lost some of the prejudices he held about other groups.

"The more I got into it the more I started to realize it was the camaraderie that was helpful. That is what I really needed. I needed to know that there was someone else that would back me and help me out to achieve some goals, The most important part is staying in contact with friends. We are all still trying to achieve success. You meet people in your lifetime who are trying to meet certain goals. I found people who were trying to help others get a chance. It made me proud to be part of it."

Program Graduate
Employed at $18,500 for 4 months
High school dropout

"You meet people from everywhere, from Guatemala. You meet people who have been through wars. You start learning about the world."

Program Graduate
Employed at $18,500 for 4 months
High school graduate

"I have been told before that the results of the program could have been obtained for me by going to college straight from high school. I disagree. Some people say that the people that are successes were already on their way to success because of their own attitude toward life. I don't think that is always true. Although I have accomplished a lot since I was 18, most of it has been done mainly with the support of the program. I am working full time. I am getting my degree in two years. I live on my own, have my own car, and my own health insurance. For someone who is a minority, who is a young woman in today's society, this is not the norm. Prior to going to going to program, I felt I had few skills. I picked up clerical skills, dental skills, etiquette for the workplace, interviewing skills, and skills how to be a responsible person. There were several people who were my mentors, counselors, and friends."

Program Graduate,
Employed at $24,000 for 2 years
High school graduate

Leading to: "An Awakening"

Most young adults discovered programs by word of mouth. For a small minority, newspaper advertisements and state job service offices made the connection. For many, the days of "do nothing, get in trouble" and a low-wage future had become a drain on their energy. They began to see where they were headed. At this point, these young adults made a conscious decision to do something about their lives. They "awakened" to the possibility that their lives could be better if they made that choice.

The term "awakening" describes a process of self-evaluation and an adjustment of values that comes with experiencing internal and external pressure. For most young adults, the precipitating experience was negative: the death of a friend, a spell of underemployment, realizing that they needed to make better provisions for their child, or the realization that they had limited skills in the labor market. Whatever the impetus, the resulting self-examination, and

the steps taken toward self-improvement, formed the foundation for a future different from their past and present.

It is important to point out that this "awakening" has to be nurtured in the context of a supportive developmental environment. There are many tales of talented, motivated youth with nowhere to go and no options to exercise, who fall back into the streets. In essence, to be "awakened" is not enough. The process that calls for developmental supports from adults. Without these supports, awakening can only last so long.

"The ones who did not make it weren't ready to go there yet. Maybe today they might have matured to the point where they are ready, but at the time they just weren't. You have to mentally be at that point in your life where you want to turn your life around. You are going to be sitting there and the staff will be telling you things you do not want to hear, [and] It is not going to work for you. You have to want to do it. If you are at the point where hanging out means a whole lot to you, you are just there because it is somewhere to be. The program works 100 percent for those who want to be there."

Program Graduate,
Employed at $16,000 for 14 months
Dropout

"Many people were just there because it was winter time and they just didn't feel like hanging out. I didn't have to give up much besides being with my friends all the time. A teacher taught us about delayed gratification. You have to go through times when you are not doing everything you want to be doing, but you know you are doing the things you need to be doing to get where you want to be."

Program Graduate, 22 years old
Employed at $15,600 for 16 months
High school graduate

"I don't think of myself as a success yet. I still got a long way to go. I think the program gave my name as a success because they were a success in getting me to

where they wanted to get me, giving the push that they wanted to give me, and now, I can do the rest on my own. Success is about doing what you set out to do. No matter how much you make, if you are not doing what you set out to do, you haven't become a success. That is why I don't consider myself a success. I don't want to stop trying to get where I am going."

Program Graduate,
Employed at $16,000 for 14 months
Dropout

Messages from the Messengers: Tenacity and Perseverance

When graduates talked about why they had made the decision to improve their lives and how they went about doing it, they often spoke of very powerful lessons to which other out-of-school young adults should pay close attention if they want to increase their chances of success. Success does not stop with a job. These young adults believed much more was required before they could claim success.

For most young adults in this study, success was measured on a sliding scale. Most had come a long way in a short time. Taking time out to reflect on success was something they enjoyed doing. But as hard as success was to achieve, for some, it was equally hard to understand.

"Being a success, it is so big, so huge. I have to try to narrow it down a little bit. It was overwhelming for me to think about going to college when I had never seen a college application. I don't care about money but other people do. I feel successful right now because I am doing something I want to do. I am going to be a success regardless. I used to be on the street on dope. I keep success small because I am not on dope now. Every year it gets bigger and bigger. Each year I get farther away from where I was. My options get bigger and bigger, I used to live in a tiny little house but it is a little bit bigger than my other house. I used not to be able to afford a fast-pass , but now I can buy a car. My

reality is way different from the way it was. It depends on where I'm measuring my success from.

I feel successful because I came really far, But for another person, it may seem like I have nothing."

Program Graduate,
Employed at $22,000 for 2 years
High school dropout

Often, what was involved was much more than returning to school to continue their education. They spoke of service to community, of being a role model to other young adults, and taking care of family.

"Success means many things to me. It is having my family laughing and enjoying life. It's never having to have to worry about an enemy. I feel that if I work hard for the remainder of my life, I am going to be successful. Some people go through life making a lot of money but there is always someone out there to get it from you. I feel like I am being successful, but not successful. I've come a long way, but this is not the part of my life when I stop working and sit back and reflect. I worked at two jobs since I left the program. Everyone I worked for I am able to call back for references. They always tell me to have people call them and that makes me feel good. I always wanted to work with kids. I am doing that now. When I look back on my years after I retire then I will know if I have been a success."

Program Graduate, 24 years old
Employed at $20,000 for 2 years
High school graduate, 1 year of college
Father of one child

"In the economy there are not a lot of jobs available. It is about the way you present yourself. The program can do only so much for you, they can't put that job in your hand. When you go on that interview, the program can only give 10 percent, you have to put the other 90 percent."

Program Graduate, 24 years old
Employed at $11,555 for 2 years
High school graduate

"The program itself provides you with what you need. What you have to do comes from yourself. A lot of kids don't have it. They're not willing to take orders. [or] follow procedures. They are not capable of actually listening and trying to break their backs to get where they want. They want what they want but are not willing to work for it."

Program Graduate, 23 years old
Employed for 4 years
High school graduate

But most importantly they talked about what it takes to overcome the influence of the streets and what you are rewarded with once you decide to leave. The basis for success is on growing and learning and constantly moving ahead, never turning back. For those who do turn back, it is as if they have to start all over again.

Unrealistic wage and job expectations were identified as reasons why some young adults didn't persevere. Successful youth acknowledged the need to start somewhere in order to achieve the success they desired.

"I think a lot of people didn't realize that when they go into mainstream they have to start at the bottom. They got frustrated because they went through the program and didn't make what they thought they should make. But that is training, when you get into mainstream you have to start at the bottom."

Program Graduate, 20 years old
Employed at $24,000 for 1 year
High school dropout

The young adults were also quick to point that the program doesn't work for everybody.

"They came to the program no matter what age because they were trying to find themselves, otherwise they would have been working. Maybe things in their lives did not come to them. Not everybody is going to be at a job that is going to work for them. Some people fail

because it is not like they can't do this or do that. Or that they are not competent. Maybe it not the thing they should be doing."

Program Graduate, 23 years old
Employed at $14,000 for 9 months
High school dropout

Finally, participants in the "Tales from the Bright Side" study felt that the problems youth face are not insurmountable. They urged their comrades to find activities and supports that would help develop that inner motivation that it takes to succeed.

"I feel that there are a lot of kids who are out there scared. They are scared of growing up and having to have some type of responsibility. So they rather just get in trouble and blame it on where they live. But that is not how it is, no matter where you live, no matter what type of family you come from, there is always a way to make it. "

Program Graduate, 20 years old
Employed at $18,000 for 20 months
High school dropout

These young adults emphasized that some type of continued relationship with the program or other program participants was valuable. During the program years, the young adults extended their peer groups to include other young adults with similar goals and objectives. These groups helped provide the continuing support and encouragement young adults needed to be successful.

"Don't ever give up. There are other people going through the same or similar things that you are going through. If they can do it, you can do it, too. Hang in there so everything will turn out all right."

Program Graduate, 20 years old
Employed at $14,000 for 1 year
High school dropout

CHAPTER FOUR

OUT OF SCHOOL AND UNEMPLOYED:

Principles for More Effective Policy and Programs

by Gary Walker

The Problem

The employment and earnings prospects of low educational achievers--and high school dropouts especially--have always been worse than the prospects of youth who have completed high school. They have been worse, too, than those of youth with higher educational achievements. Today, the differences in employment and earning attributable to educational attainment is wider than ever. Major economic and business trends offer little hope that these differences will diminish naturally.

The country's economic future, the crime rate, the social fabric of our civil society, and our commitment to democratic government have all been linked to the nation's ability to improve the educational achievement and job performance of out-of-school and out-of-work youth. Yet, as meeting basic economic needs becomes increasingly harder for many young people, the basic demographic data show that this segment of the American population will soon increase

dramatically. Many unprepared youth will soon reach the age when they will need to earn a living. Can anything be done to improve their prospects?

The Record

Over the past two decades many social initiatives have addressed these issues. Most have been special interventions focused on individual youth. They have tried to remediate educational deficiencies and have targeted on job-specific training and access to jobs. A small but growing number of initiatives are trying to address the structural and systemic problems that work against these youth across the board—in our public education system, our labor market, and our communities. In addition, the 1994 School-to-Work Opportunities Act and several new philanthropic initiatives seem to acknowledge that both systemic change and special, individualized interventions are necessary.

Despite this history and variety of initiatives, however, influential leaders agree that these attempts have not made much headway—with the possible exception of initiatives so small, costly, or rooted in charisma that they offer no hope as large-scale policy alternatives. This perception has resulted in fewer resources for out-of-school, out-of-work youth in both the public and philanthropic communities.

And small wonder. A considerable body of evidence seems to support this pessimistic conclusion. National demonstration programs such as Supported Work and Job Start programs are usually cited, especially one large-scale impact study of youth enrolled in the service programs of the Job Training Partnership Act (JTPA). Many use the JTPA findings to conclude that large-scale public policy is not an effective mechanism to help older out-of-school youth.

But another body of evidence points in the opposite direction. Recent evaluations of the Center for Employment Training (CET), for example, indicate that publicly funded interventions can change long-term outcomes in the labor market. A growing number of initiatives, e.g., YouthBuild, the Youth Service and Conservation Corps, and STRIVE, also point to ways of operating—and results—that distinguish them from evaluated programs that show poor outcomes. The leaders of these initiatives feel strongly that the programs that produced poor results, which are often used

to support the conclusion that "nothing works" for out-of-school youth, were badly designed. Instead of speaking to the realities and needs of young people, these earlier programs simply did not speak well to the realities and needs of changing labor markets. The critical judgments about these earlier programs are supported by experts in adolescent development. Both the leaders of newer initiatives and youth development experts feel that the JTPA evaluation, in particular, is irrelevant to their work, especially since newer program designs have critical features that could not easily be funded under JTPA regulations. This smaller, and growing, body of evidence, projects, and theory continues to hold out hope that large-scale policy initiatives can be effective.

The Future

At the national level, the "evidence gap" between well-known, pessimistic evaluations and recent, positive ones has prompted the federal government to reduce its financial commitment to less advantaged youth. But the "evidence gap" is narrowing. For those whose public policy positions are not based solely on ideology, new evidence and analyses resound well with common sense and historical perspective. American public policy has experimented with efforts to assist out-of-school youth only for the past two decades, and then only in fits and starts. The new data also play well into America's new political reality—the "devolution" of federal authority to states and localities for shaping social policy. Lower levels of government are claiming unprecedented authority to tackle these issues, as many decision makers try to show that they can be effective.

These lower levels of government are also coming under increasing political pressure from organized groups to address youth employment issues. Groups seeking more equity of opportunity, higher workplace skills, reduced crime, and lower income disparities all figure into the mix. The pressure these groups can generate over the next few years may cause a flurry of state and local initiatives to aid out-of-school, out-of-work youth. In addition, effective advocacy regarding the *national* scope of youth issues may generate a number of special initiatives, supported by federal, state, local, and foundation dollars. These initiatives will probably have substantial evaluation components, and

will thus offer additional evidence about the value of a new generation of initiatives.

At this point, new questions arise. Do past and current experience provide any direction for future initiatives? How can we help ensure that these future initiatives are based on sound principles?

Principles for Effective Action

An emerging consensus about social interventions for youth rests on two basic conclusions:

- *There are no "magic bullets."* Most local youth program leaders and human development experts never thought there were, but much national policy, with its short-term outlook, was based on the Pollyanna-ish premise that quick-fix solutions could be found. Few believe that anymore.

- *Many, if not most, youth from poor neighborhoods face multiple obstacles to labor market success,* including such obvious ones as low educational skills, lack of access to jobs, the need for human relationship skills, initiative, and the need to cultivate basic work habits. Add to these families and neighborhoods full of crises and depressive influences, and the need for a range of services becomes quite clear. In short, there is no easy substitute for the positive supports, experiences, and opportunities that the average middle-class youth receives.

These conclusions emerge from a combination of program evaluations, operational experience, human development theories, and common sense. They are beginning to replace the optimistic, short-term assumptions that underlay the social policy of the past several decades, i.e., that a modicum of work, training, remedial education, or social services was enough to cause a permanent shift in the life-trajectory of a youth from a poor neighborhood. These new conclusions also help us understand why most of the initiatives that have been evaluated did not produce positive results. The problems are simply not amenable to a short-range solution.

By contrast, a set of principles that lies at the core of truly effective programming can achieve labor market success for older, out-of-school youth. This chapter argues

PROGRAMS OF PRINCIPLE:*

MILWAUKEE COMMUNITY SERVICE CORPS

The Milwaukee Community Service Corps (MCSC) recruits a diverse group of young people, but focuses on inner-city residents because they represent an underemployed or unemployed population. Corps members are between the ages of 18-23. They are primarily central-city residents and most live at or below 150 percent of the federal poverty level.

Community service projects are integral to the MCSC program and its mission. All Corps members receive academic instruction toward their GED or a postsecondary education. Corps members are assigned to one of four programs, according to individual occupational interests: MCSC Crew, AmeriCorps, Youth Apprenticeship, and YouthBuild.

MCSC Crew members get experience and training in construction, housing renovation, landscaping, and human service. They receive hourly wages with opportunities for advancement to assistant crew leader and crew leader.

AmeriCorps is a federally-funded program that entitles young people an educational scholarship of $4,725 after a year of public service and attainment of a GED or diploma. AmeriCorps participants work on anti-hunger efforts, graffiti removal, urban gardening, human services, and traditional conservation work.

Youth Apprenticeship participants receive construction training and on-the-job experience. After participants have completed 3,000 hours of work in the program and/or post-corps employment, they receive a certificate of completion and a Building and Repair Apprenticeship Card.

YouthBuild Milwaukee participants expand the supply of housing for low- and moderate-income families by renovating residential buildings as part of the job training component of their program. Participants receive an AmeriCorps-funded stipend at the end of their term with MCSC.

The overall staff-to-Corps member ratio is about 1:3, and the average staff-to-Corps member ratio in education classes is 1:10.

(Continued)

On-the-Job Training is conducted at designated work sites to provide Corps members with the behavioral skills and information required to survive in the work world. MCSC's program also instructs participants in the "rules" of being employed—punctuality, accountability, attitude, and responsibility.

"Front-line" staff and Corps members also link MCSC in partnerships with other organizations, including the Housing Authority of the City of Milwaukee, Inner City Youth Serving Agencies, and the Association of General Contractors. Overall, MCSC has a 70 percent completion rate and an 85 percent job-placement rate. Half the participants complete their GED.

*__Note__: The "Programs of Principle" described in this document are those whose design and implementation takes seriously the principles presented in this chapter.

that social policy and programs need not address directly every obstacle that a young person faces. Indeed, that approach may be unwise, given the need of young people to develop the internal strength, resilience, and values required for life's challenges. But the core features embodied in the principles laid out here are necessary if we are to shape a social policy that can help a significant share of America's marginal youth enter the economic mainstream.

These principles are consistent with the conclusions set out above. They also allow policy makers, administrators, and practitioners to shape their work vis à vis youth and young adults around a few practical priorities. They do not guarantee that every young person will receive all the help, or even the right mix of help, he or she needs. They do, however, make it likely that a high percentage will receive the help they need most critically. And perhaps most important, these principles require political commitment.

Principle 1: Each *young person needs to feel that at least one adult has a strong stake and interest in his or her labor market success.*

This principle seems obvious. Being cared about and helped are the most consistent, positive factors mentioned by young people who say their lives have been helped by

participating in a social initiative (see, for example, the testimonies in Chapter Three). Almost every adult who has worked in a social initiative agrees.

Surprisingly, real caring is not a consistent factor in such programs. Why?. Much of the reason is that, for the past 15 years, the major source of funds for labor market services for young people has been the Job Training Partnership Act (JTPA), which has neither promoted nor supported an approach to labor market success based on human relationships. The recent study of JTPA's impact often used to underscore the judgment that "nothing works for older youth" only confirms that JTPA *could not* work for youth, because it does not encourage the basic human support that youth require.

Inattention to this aspect of successful programming is no mere matter of legislative shortcoming. It also occurs because most policy makers and administrators simply *assume* that caring adult attention is a given. Because it is so obviously the "right thing to do," policy makers do not view caring as affected by resource levels, outcome incentives, and expenditure regulations. The School-to-Work Opportunities Act of 1994, for example, allows for "career mentors" for youth, yet most jurisdictions have not made them a priority, or even begun to plan for them. One suspects that this neglect is not because administrators think adult attention is unimportant, but more because they assume it will happen.

But effective adult caring cannot be taken for granted. Public/Private Ventures's multi-year study of mentoring programs has made the success of the Big Brothers/Big Sisters program widely known. What is less noticed is that *from one-third to one-half of the adults who volunteered to mentor for the programs lacked good instincts about how to support and encourage the development of the youth they were matched with.* They needed training. Without it, the mentoring failed.

In short, initiatives to help out-of-school, out-of-work young people must include the proper resources, incentives, and guidance that will: (1) ensure a healthy adult-to-youth ratio; (2) ensure that the adult-to-youth interaction time is high; and (3) carry out the training and other forms of support necessary to make sure that the adults know what they're doing.

Principle 2: *Each young person must sense these three things:*

- *that the initiative or program has strong and effective connections to employers;*
- *that placing the young person into a paid position with one of those employers as soon as possible is of the highest priority; and*
- *that the initial job placement is one step in a continuing and long-term relationship with the program or initiative to advance the young person's employment and income potential.*

This second principle—like the first—seems uncontroversial if not obvious. But the fact is, it does not typify past or current policy and practice. Many initiatives have focused so heavily on *preparing* young people for employment that they have overlooked their need for income and their fragile confidence about passing through too many preemployment hoops.

In addition, many initiatives do not develop a host of strong employer relationships. They underemphasize the fact that access and connections to employers are key ingredients for most young job seekers, every bit as important as skills and a desire to work. Access to jobs will never be free of the need for advocates; that is a reality that youth initiatives must focus on, not ignore. As DeJesus points out in Chapter 3, there is a strong, positive connection between the ability of training programs to make these connections to employers and the success of young people seeking employment.

Perhaps most serious of all, our major public employment and training initiatives have often made securing an initial job the ultimate goal, when the pattern for most young people is to try out a number of jobs before they finally settle down. Securing the first job is important, but more so as a beginning than as an end. For young people with few skills, resources and contacts, the *process* of finding their way needs support.

Implementing all three components of this second principle has powerful advantages for program operators as

well as youth. It reduces the pressure of trying to make a first job placement the "right" one; instead, it can become an income-producing experiment. Programs can use low-skill, low-paying, secondary-labor-market jobs as paid work experience for young people who are unprepared for anything else, rather than denigrating those jobs as unworthy. In this way, work becomes a way to learn about work, not an end in itself. Educational programming can be integrated with a growing understanding about career preferences and work aptitudes.

Unfortunately, funding regulations and conventional practices have made it difficult for programs to carry out all three components of this principle. The time it takes for an organization to develop solid relationships with employers requires a rare level of support and patience. But those few initiatives that have exhibited these characteristics offer promise that being in your late teens or early twenties is not too late to begin a successful work life.

Principle 3: *Each young person must feel at each step of the way the need and opportunity to improve his or her educational skills and certification.*

Most early youth employment initiatives have not emphasized educational skills and certification, holding that America's diverse economy has many decent-paying opportunities for workers without those skills and certification; they had only to go out and find the job. The acuity of that proposition has dimmed considerably over the past two decades.

But this does not mean formal education must be a *prerequisite* for labor market assistance. Many programs show that it is possible to get people decent jobs and income without it. However, since the probabilities for doing so are diminishing, it does mean that:

- young people should be made starkly aware of those probabilities; and
- pressure and opportunities to improve educational skills and certification should be continuously present, both before initial job placement and throughout the intervention.

Strong and continuous pressure from a connected adult is called for, and experience indicates that previous classroom failure has such a powerful effect on individual motivation that making educational progress a formal condition for labor market assistance will lose many of the youth who need help most. In addition, there is no strong evidence that supports the effectiveness of second-chance education, only interventions in improving labor market success.

For continuous pressure for educational improvement to be effective, a great variety of learning options must be available. Supporting these alternatives is the greatest challenge inherent in any wide-scale implementation of this principle. The good news is that the number of models and approaches to alternative learning for older teens who have not succeeded in high school is increasing. They can be built on and expanded. In addition, the charter school movement, the alternative school movement, many public school systems, and federal school-to-work legislation are creating a more open attitude to using conventional, public funding streams for new approaches to learning.

Principle 4: *Each young person must feel that the program or initiative will provide support and assistance over a period of time—perhaps up to several years—that may include several jobs and several attempts at further education.*

For many adult youth, low achievement becomes a habit, experienced first in the world and eventually adopted as a state of mind. The desire to change that habit is what motivates a youth to seek assistance. One small success, achieved over a few short months of assistance, is usually not enough to convert an initial desire to change into a life-long habit of high achievement, especially in the labor market. As noted earlier, it is typical for young people to try a series of jobs, change their minds about what they want to do, and flounder in their confidence. They need help from parents or other adults in gaining access to new areas of employment. Forming a habit of achievement requires time and continuous support.

This principle does not mean that a program for older youth should not have standards, or should not deny assistance to young people who do not make adequate effort.

A "warm bath" environment and cradle-to-grave support are not recommended. Independence, self-sufficiency, and confidence should be the goals of any initiative to assist older youth.

We must use common sense in setting public policy. The brief, time-limited programs for youth that pointed only toward a job placement not only achieved little success, but by being so brief and artificial may also have wasted their own initial investment in the youth.

These four principles are core components for any program or initiative that aims to assist older youth. They are unremarkable notions, in the sense that many experienced youth workers have advocated them before, and some of them, especially #2 and #3, appear as elements of major national initiatives and legislation, such as the School-to-Work Opportunities Act. There are good examples of each principle currently in practice around the nation, but only a handful of efforts combine several or all of them. Those that do so have usually succeeded by working around conventional funding rules and widely accepted practices.

Three other principles of effective programming are not necessary for all, or probably even most, older youth who desire labor market assistance. But they are important for a significant number of them.

Principle 5: *Effective connections are needed between the program and external providers of basic supports such as housing, counseling, medical assistance, food, and clothing.*

Programs find out about these youths' needs in various ways, from formal needs assessments and professional counseling to the information mentors obtain in informal discussion. Youths obtain these services through diverse means as well, from professional staff responsible for referrals, or from mentors who "scrounge" for what their charges need. There is no clear evidence that any one approach to finding support is generally more effective than any other. What is clear is that a significant number of youth have critical, basic needs that impede their labor market and educational success; their number may grow if basic public services decline, as many predict.

Principle 6: *The program requires an "atmosphere," buttressed by specific activities, that emphasizes civic involvement and service—in short, an extension of practical caring beyond self, family, and friends.*

The primary goal of employment programs is to increase individual economic self-sufficiency. Skills, work habits and attitudes, access to employers, and career opportunities are obvious components to meeting that goal. For some youth, falling away from the path toward economic self-sufficiency is linked to a deeper disconnection from mainstream institutions and values. Many operators of programs with a community service element, and the youth themselves, report that the feelings that result from working to meet other community needs help develop a strong, positive attitude about achieving labor market success.

Principle 7: *Motivational techniques are needed, such as financial and other incentives for good performance, peer group activities, and leadership opportunities.*

The activities that will benefit the largest number of youth are represented by the first four principles. The first principle, adult involvement, has the strongest backing in research and practice. However, various other techniques can inspire and motivate young people to sustained commitment and improved performance. A significant number of practitioners say these are critical for young people who grow up with very few (if any) school or labor market successes to build on. Performance incentives, team-building, and other peer group activities, as well as leadership opportunities, are the major techniques mentioned.

Though little evidence from program evaluations is now available about the impact of these techniques, they are used with known effectiveness in many settings. They offer an important complement to the inner-directed and personal-relationship-oriented motivation that are the basis for the other principles.

* * * * *

Needed: A System.

Taken together, these seven principles present tough implementation challenges; none is self-executing. But, as noted earlier, neither is their execution without precedent or example. But supporting and maintaining the effective application of these principles on a significant scale requires a surrounding set of policies, institutions, and funding streams that encourage such practices as:

- developing realistic accountability measures;
- tracking performance to reward or penalize the outcomes of actual practices; and
- supporting staff development to ensure a threshold level of quality.

No such set of policies, institutions, and funding streams—i.e., a "system"—is now in place. Efforts to assist out-of-school, out-of-work youth are typically small, entrepreneurial programs whose top staff spend most of their time fund-raising, while front-line staff deal with crises and attempt to bring order and coherence to program offerings. It is no wonder that so few are able to carry out the above principles consistently and in concert.

Part of the reason we have no such system is our unwillingness to face the fact that no formal high school system is ever going to work for all youth. It is important to remember that a higher percent of youth are now graduating from high school than ever in our history. We certainly can do better regarding school performance, especially in our poorest urban and rural areas. But there will always be a significant group of youth who, for whatever reason, do not achieve school success. In the past most of these youth could ultimately find their way to self-sufficiency in the labor market on their own. In most communities, jobs with low skill and education requirements, but with decent wages, were physically nearby. But conditions have changed, and too many youth—high school graduates as well as dropouts—cannot find their way to labor market success without assistance. The cost to society of their failed searches—measured in lost productivity, crime, social welfare and criminal justice expenditures, or in lost confidence in our society's values, policies, and institutions—is staggering.

The experiment this country now needs is to build a system of policies, institutions, and funding streams to encourage and support the use of the principles presented here. The spirit of devolution may be the right atmosphere for such a system in major urban areas. That experiment—far better than any "pilot program"—would tell us if there are effective uses for the large sums our society now spends on these youth in other ways, from welfare to prisons to health care. It might also point the way toward an enlarged vision of schooling and work preparation, one that did not break teens so early in their life into two large clumps—school successes and failures—but supported a variety of ways for all our youth to achieve the competencies and careers they need to become self-sufficient.

CHAPTER FIVE

CREATIVE RESOURCE DEVELOPMENT:

An Assessment of Potential in Selected Cities

by David Gruber

The final chapter of this report will stress the need to build an integrated system of positive connections for out of school youth, backed by the will and commitment of public and private leadership. This chapter addresses the inevitable and critical issue....money. Where is it now, how can it be redirected, what are potential new sources?

The National View

Policy changes at federal and state levels provide an opportunity for cities to rethink the way they allocate resources for youth programs. At the same time that cuts in traditional funding sources, such as JTPA, have undermined long-standing programs, increased flexibility in spending has begun to allow communities to tap into dollars that flow to much larger institutions that serve young people. By leveraging funds from schools, community colleges, housing authorities, and welfare and other systems, communities can

begin to create a new and larger resource pool for out-of-school youth. Potential resources include:

- **K-12 Education Resources**. The National Council of State Legislatures reports that in most states there are no apparent barriers to using state education per capita funding (often known as average daily attendance or ADA funding) for students outside schools. By re-enrolling out-of school students, communities can draw on this funding ($ 2,000 to $3,500 per pupil per year in many jurisdictions) to support new program approaches. For communities, these education dollars are, in effect, a kind of "found money." Because each enrolled student is entitled to per capita funding, each additional student enrolled expands the overall dollar pool available. With the approval of local school districts, these dollars can fund a network of alternative education and training providers.

- **Postsecondary Resources**. Federal Pell grants and other postsecondary resources are another, often untapped, funding pool for out-of-school youth. This funding, which helps finance community college or other postsecondary training for economically disadvantaged students, offer communities another source of "new" funding to expand educational opportunities for the out-of-school population. Through linking postsecondary resources such as Pell dollars with funding that supports GED programs, communities can create pathways to college for the out-of-school population that parallel the 2+2 high school-college articulations offered to in-school students.

- **Juvenile Justice Resources**. States and communities now spend as much as $30,000 per youth per year to support residential correctional programs. Seeking a more productive use of this funding, states, cities, and counties are considering alternatives such as education and training programs. In most cases, this does not represent "new" funding for communities, but rather a potentially better use of existing dollars. One state, Ohio, has taken significant steps in this direction. Through the Reclaim Ohio initiative, the state has offered county officials authority over $100 million in youth services funding. Using these funds, local officials can underwrite services ranging from traditional residential

correctional programs to newly created education, training and social support initiatives.

- **Public Housing Resources**. Federal public housing resources can also be employed to support education and training activities at housing sites. In addition to continuing funding, federal housing grants, including the Hope 6 and Campus of Learner grants, can be used, in tandem with other resources described here, to support programming for out-of-school youth resident in public housing developments. Although not necessarily "new" funding, linking housing dollars with other resources can expand the effective funding base for out-of-school programming.

- **Welfare Resources**. New federal welfare legislation has the potential to provide another substantial source of funding for out-of-school youth. The $16.4 billion federal welfare block grant, while imposing some new requirements on states, also provides latitude to support increased education and training services for youth on welfare. State matching funds may offer yet more flexibility for support services. Under the legislation, states are mandated to support education opportunities for teen parents, ages 11-18, and they have the discretion to use this funding to provide education, support or other needed services to teens in families on welfare. States can also support some level of education and training activities for young parents, ages 20-24. (Because funding is directed at the custodial parent, the bulk of the resources will serve women).

  This funding, potentially substantial as a stand-alone resource, can, of course, have greater impact if combined with the resources described above to support alternative programming for some of the out-of-school population. Although the effect of this law is not yet clear, it is important to note that decisions on the level, scope and kind of support will largely be made at the state and county level.

In a number of cities around the country, public schools, postsecondary institutions, juvenile justice agencies, housing authorities, and other institutions are taking advantage of these and other funding opportunities to build or expand programs for out-of-school youth. These efforts can be substantial. In some cities, for example, several

thousand youth are participating in alternative strategies funded by ADA dollars.

These new resources offer the opportunity to reform an inequitable system. One of the most striking findings of this survey is the sharp distinction made between in-school and out-of-school youth strategies. At a time when the economy increasingly requires and rewards postsecondary education and training, school-to-work strategies for in-school youth emphasize high standards, extended career preparation, and transition to postsecondary training. By contrast, however, many out-of-school programs, continue to emphasize GED attainment and entry-level employment. Although out-of-school youth will be competing in the same labor market as in-school youth, the prevailing pattern of lower expectations and limited programs continues to place them at a disadvantage in becoming self-sufficient.

From a national perspective, the potential exists for cities to use these now under-deployed resources to underwrite a different kind of out-of-school system, better funded and more comprehensive than the patchwork of JTPA-supported GED and training programs. In particular, use of these dollars offers cities the chance to create a system that expands postsecondary access for out-of-school students through new, long-term college preparation and transition programs. Although there appear to be no insurmountable legal or regulatory obstacles to realizing this vision, building this kind of system on any scale will require cities to overcome important barriers such as a lack of awareness, lack of priority, and the inevitable institutional inertia. Led by the School-to-Work Initiative, communities have begun only slowly to think more productively about how to organize access to private sector jobs for out-of-school young people. This chapter looks at the other side of that coin—how public sector dollars can be garnered from a variety of sources to provide education, support, and connections to employers.

Looking at Cities

This paper examines how the creative application of federal, state, and local funding can expand the resource base to improve opportunities for out-of-school youth in five cities: Austin, Baltimore, Boston, Seattle, and Stockton, California. For each city, there is a description of how

nontraditional resources are used to fund out-of-school programs. Barriers to redirecting these dollars are looked at, as are the willingness and potential of schools, community colleges, housing authorities, and other youth-serving agencies to move in this new direction.

Findings are based on two- to three-day visits to each city, generally including meetings with public school, city, postsecondary, housing, and juvenile justice officials. Visits were supplemented by phone calls and documentary research. The relative brevity of these visits means that this paper should be viewed as an overview or guide, not as a definitive summation. It should also be noted that this report is still preliminary. In three of these cities, Boston Baltimore, and Seattle, visits are continuing, due in part to greater than anticipated interest among local officials.

FINDINGS

The Potential for Redirecting Resources

K-12 Education Resources. State per capita student aid (ADA) in the five cities ranges from $1,400 to $3,500 per student per year. Only one city, Stockton, makes extensive use of this funding. Nonetheless, in three others, Austin, Baltimore, and Seattle, where ADA use outside the school system is much more limited, school and education officials see no significant legal or institutional barriers to using ADA funding as a foundation for new, out-of-school strategies.

Postsecondary Resources. Several of the cities operate community college programs aimed at at-risk and out-of-school students, including relatively limited middle-college and "2+2" strategies. Community colleges in Seattle and Baltimore are interested in developing or expanding the funding link to schools to create extended education pathways for out-of-school youth. Community college staff in Baltimore noted that "it would be extremely exciting...a new paradigm." In three cities, officials cited the possibility that state postsecondary funding could be linked

with Pell grants and ADA dollars to provide program support for extended college preparation and access programs.

Housing Resources. Some of the cities visited are receiving as much as $2-3 million in HUD funds for education and training. In Baltimore and Stockton these funds are supporting programs with little or no tie to schools or training programs, and with little contact between officials of the separate agencies. In Seattle, a new Campus of Learners grant has established a branch campus of the community college. Seattle officials see potential, through integrating resources, to use this model as a base for 2+2 pathways. Officials in Baltimore and Stockton are also interested in pursuing integrated strategies.

Juvenile Justice Resources. Cities operate a variety of programs in this area, including federal delinquency prevention programs (Weed and Seed) and some limited education programs. No city has the level of funding discretion, and thus the potential, reported from programs such as Reclaim Ohio. Stockton, however, receives enhanced state ADA funding of $ 5,200 per adjudicated youth, while Austin receives a limited pool of education dollars also earmarked for this population. In both cities these monies go to support alternative schools.

Barriers

Officials in all cities agree that the potential exists to draw upon or redirect substantial funding. Realizing this potential will require overcoming four barriers widely cited in the visited cities:

- **Awareness**. In an environment where there is often no city-wide strategy or structure for out-of-school youth programming, institutions are often simply not aware of related education and training programs, funding opportunities, and the potential for collaboration.
- **Priority**. While recognizing the need (and opportunity) for schools to draw on state funding to serve out-of-school students, education officials in four cities agree that

out-of-school youth are generally a low priority for school decision makers.

- **Capacity**. Education officials agree that schools themselves lack the staff capacity to develop, operate, or monitor an expanded alternative system that uses state education funding. Community officials believe that some other organization that transcends current agency boundaries is needed, both to serve as an impetus for system development and to oversee new strategies and programs.
- **Outside assistance**. Communities as a whole and individual institutions frequently do not recognize all the options available to them. Officials in three cities see the need for technical assistance in developing a systemic approach, while two cities seek specific models or strategies to serve as prototypes for new approaches to out-of-school youth.

Building a System

City officials underline the need to develop a more formal structure and strategy for out-of-school youth. This assessment suggests that realizing the potential of education, postsecondary, and housing dollars will require a community entity that can:

- raise out-of-school youth as a clear priority;
- develop the political support needed to seek ADA dollars for out-of-school youth;
- promote partnerships among schools, community colleges, housing authorities, and other youth-serving agencies;
- organize the private sector to provide access to jobs; and
- plan, develop and monitor an out-of-school system.

Baltimore is already moving in this direction, but to capitalize fully on the opportunities available, all five cities will need to develop a city-wide focus on out-of-school youth. In most of these cities, doing so will require technical assistance and outside support that encourages officials to rethink traditional boundaries in favor of a city-wide system. This change in emphasis calls, in turn, for a shift in

priorities for federal and other discretionary funders. Outside funders should encourage:

- commitment of ADA, postsecondary, housing, juvenile justice, and related funding streams;
- development of city-wide strategies; and
- building city-wide structural and operational capacity.

CITY BY CITY: OPPORTUNITIES AND ISSUES

This section provides an institution-by-institution, city-by-city look at funding opportunities for out-of-school youth. It includes an overview of the current system and an examination of how cities use the resources of several systems: public education, postsecondary education, housing, and juvenile justice.

This section also explores the potential these five cities have to use these same funding streams to expand resources and opportunities for out-of-school youth. While speculative, the analysis here lays out what appear to be real opportunities and options in each community. It also discusses the barriers and the steps required before any such potential could be achieved.

Overview: Three Themes of the Current System

Three themes cut across size, demographics, and geography in programs for out-of-school youth in the five cities. The first is the effect of diminishing resources. In Baltimore, for example, funding cuts have reduced JTPA IIC funding, the primary funding stream for out-of-school youth, from $3.2 million to $460,000 in three years, effectively closing a network of community centers. Boston, Seattle, and other cities have undergone similar reductions.

A second theme is the attempt to develop new funding strategies. In most of the cities visited, schools or other organizations have developed approaches to out-of-school youth that make innovative use of education and other resources. These new program efforts, however, are

generally limited and are not seen as a prototype or first step toward a broader alternative system.

A third theme is the inadequacy of the current system. Officials in most of the cities visited agree there is now no effective means to muster a city-wide response to declining out-of-school resources: "(We) haven't figured out how to put

PROGRAMS OF PRINCIPLE:*

American Institute for Learning

American Institute for Learning (AIL) is a Texas nonprofit, comprehensive education and employment training program for adults and young adults who have not succeeded in traditional educational settings. In 1981, recognizing that 95 percent of the state's prison population lacked a high school diploma, AIL implemented one of Texas's first dropout recovery programs. The philosophy was simple: keep young people from entering the criminal justice system through early intervention.

AIL uses individualized, self-paced, competency-based educational techniques as the foundation for its dropout recovery model. AIL was able to receive funding for their work largely through corporations, foundations, local supports, and government grants. At first, no resources were contributed by the Austin public education system.

Things soon changed. The Superintendent of the Austin School District, recognizing AIL's success in reaching and serving out-of-school, at-risk youth, became one of the program's strongest allies. The superintendent contracted with AIL to serve as a dropout recovery campus for the District, which paved the way for its designation as a charter school. In addition to its charter school status, AIL has been named a local, state, or national employment model each year for the past ten years.

***Note**: The "Programs of Principle" described in this document are those whose design and implementation takes seriously the principles presented in Chapter 4.

it together" (Seattle); "(There's) no vehicle that facilitates and unites" (Stockton); "The link with schools is not happening... I'm not sure if we haven't made it a priority or the schools haven't" (Baltimore).

City by City: Descriptions and Analyses

AUSTIN

Description. Austin provides funding for five community organizations to serve out-of-school youth through education and training programs. These efforts range from traditional GED programs to a state-funded charter school designed to connect to the local community college. Education and training programs are supplemented by recreation and neighborhood-based community initiatives. City officials believe current programs serve only a small fraction of the out-of-school population. Austin has no clear central structure for out-of-school policy. Two likely organizations that might fill this gap, the Community Action Network (a coalition of policy makers) and the Workforce Development Board (the regional workforce entity) have yet to focus well on this population.

K-12 Education Resources. One Austin program that makes a particularly innovative use of education resources is a state-funded charter school aimed at dropouts. The school, the American Institute of Learning (AIL), is funded by the state at approximately $4,500 per student; it plans to serve 100 students this year. The program will provide a certificate of mastery and linkages to both Austin Community college and a YouthBuild program. To date, Austin has been less innovative with its district ADA funds, basically operating alternative programs and providing limited support to community-operated GED programs. A new adminis-

tration, however, notes that the future use of ADA will be "wide open." The school administration strongly supports partnerships and is very receptive to the idea of a community RFP for out-of-school youth, built on state ADA dollars. The prime concern of the school district in making use of this money is finding an organization like the Community Action Network to administer it.

Postsecondary Resources. AIL's partnership with Austin Community College envisions building connections to Tech-Prep programs, thus creating a 2+2 pathway for out-of-school students. The program will provide a certificate of mastery, which can lead to further Community College course work. The district's willingness to use ADA funding for new and alternative strategies creates a base for expanding 2+2 and other pathways models.

Juvenile Justice Resources. Austin's police department sponsors a truancy program, as well as alternative education programs aimed at offenders. The city currently has little targeted juvenile justice funding, but through the state's Robin Hood equity initiative for education funding, Austin is receiving $500,000 in additional funds, which will be used to create an alternative school specifically targeted to juvenile offenders. ADA funding will continue to support this facility. No plans currently exist to develop career or community college connections for the 50 students who will be enrolled, but juvenile justice officials agree there is room to build it.

Analysis. Austin has perhaps the most innovative funding models for out-of-school youth of any of the five cities. The Austin school system strongly supports using education resources for an out-of-school network. The city has a rapidly growing economy and a Workforce Development Board that is mobilizing employers to create internship programs, now primarily directed toward in-school youth and adults. The need here is to develop an organization that can bring isolated models, unrealized funding, and program opportunities together in a systemic approach.

Resource Base. Austin can tap a number of sources to fund an out-of-school system. The city's high dropout rate, combined with the willingness of the school system to seek state resources, makes ADA the logical primary source for funding. Assuming potential re-enrollment of 1,000 to 2,000 youth, the city could realize additional funding of between $2.2 and $4.4 million in state education dollars for new programming. Through community college links, this funding could leverage Pell and other postsecondary resources to help support continuing education for some portion of these students.

There are also opportunities to direct existing funding to provide longer-term or more comprehensive strategies for out-of-school youth. The city and Travis County direct $1 million to dropout recovery and services. A tax abatement program makes a dedicated pool of $4 million available to support company- sponsored training and employment for targeted groups, which will eventually include youth. Austin also has access to $500,000 through the state's Robin Hood program to develop a new school for adjudicated youth, which will then be supported with ADA dollars.

Another resource opportunity is the growing network of training opportunities being developed by the Workforce Development Board. The city has established programs in technology, construction, and hospitality, with a 10-year goal to expand training and internship opportunities in these and other fields to 7,000 slots.

Strategic Options. Austin officials agree that the potential exists to develop an ADA-supported, alternative system that could considerably expand the current program base. Options include the following:

- **Expanding current programs** such as the American Institute for Learning (AIL) model, which is designed to promote a postsecondary pathway and includes YouthBuild and AmeriCorps;
- **Developing an out-of-school TechPrep or school-to-career initiative**. Through a partnership of the Workforce Development Board, the Capital Area Training Foundation, Austin Community College, Austin School District, and various employers, Travis

County is developing school-to-work pathways for in-school youth and adults. These alternative providers could develop a similar program strategy for out-of-school youth, financed with ADA dollars and related city funding.

- **Expanding existing employer-linked training programs in technology, construction, or hospitality** to include an out-of-school component. Using the ADA funding base could allow Austin to enrich these programs—and benefit employers—with a linked academic component that could include learning customized to employer needs. Either of these strategies can also be targeted to adjudicated youth, who will be enrolled in the proposed new school.

Issues and Next Steps. One issue is the potential role and interest of the community college in developing an out-of-school strategy. Although the college is working with AIL, it does not appear to have other significant connections to out-of-school programming.

An organizational base for out-of-school policy making is also needed. Although the Regional Workforce Development Board and training foundation are focused on in-school workforce development, there is no entity to develop policy or programs for out-of-school youth. Representatives of providers and youth serving agencies are nearly unanimous in describing the need for this kind of organization, while the school system is calling for an outside agency to assist in development of any out-of-school funding strategy.

The city needs to create such an entity or coalition, which could be based in either the Community Action Network, the Workforce Development Board, or some combination of the two. This organization should aim to work with the schools in developing a mechanism for managing expanded ADA funding, while simultaneously engaging the community college, alternative providers, and employers in creating new program models. These tasks would likely require dedicated staff, particularly if a less established structure, such as the Community Action Network, were chosen.

BALTIMORE

Description

Baltimore's current out-of-school efforts revolve around an alternative school of approximately 1,000 students. The school is operated by the city's school system, a federally funded Career Academy operated by the Private Industry Council (PIC), and a variety of related education, training, and recreation programs. The alternative school recruits dropouts who are served through GED, training, and diploma programs. As in other cities, these efforts do not approach the overall need. The Private Industry Council (PIC), for example, reports that more than 4,000 students dropped out in the last year.

Baltimore is seeking a more systemic approach to out-of-school youth. The city-wide Career Connections (School-to-Work) partnership, which includes school, community college, business, and PIC representatives, incorporates a newly formed alternative learning committee, which focuses on getting education funds to follow students and on promoting connections to postsecondary institutions.

K-12 Education Resources. Baltimore is just beginning to explore options for using its ADA funds, $2,541 per student per year, to support out-of-school programming. State and local officials agree there are no significant legal or institutional barriers, and a recent decision to fund six new schools may offer a precedent. School officials express general interest and support for using ADA to help address the needs of the substantial dropout population. One Baltimore education official sees "no barrier" to drawing on additional ADA dollars for expanded programs, because "the structure is there." As in other cities, these dollars appear to offer a broad foundation for new program strategies.

One possible barrier is the higher priority school officials give to such areas as special education and low-performing schools. Internal capacity is another concern; school officials see the need for an outside entity to develop and monitor an ADA-funded out-of-school

network. The Career Connections partnership is viewed as an appropriate organization for this purpose.

Postsecondary Resources. Baltimore City Community College, while operating TechPrep programs at 25 high schools, currently provides more traditional, basic skills, and GED programming for adults and other nonschool students. Although the college has not yet formally targeted out-of-school students, officials find the possibility "timely," noting that it fits with a proposed broadening of mission. If ADA funding were available, officials see no real financial or capacity barriers to expanding 2+2 strategies to out-of-school students. Baltimore officials plan to present this option to the college president.

Housing Resources. The Baltimore Housing Authority operates a number of education and training programs, including a $1.1 million youth apprenticeship program tied to construction, a $600,000 YouthBuild grant, and a combined Hope 6—Campus of Learners grant for a "couple of million" that will emphasize technology as well as education and training. The housing authority has connections to the community colleges that offer GED training. The authority also provides scholarships for residents to obtain AA certificates in a number of vocational areas. At this time, there is no formal 2+2 connection with the community college. Housing authority officials are interested in pursuing a connection with the schools, particularly in blending HUD grant dollars with ADA funds to serve resident out-of-school youth. One opportunity is for housing sites to serve as a base for developing pathways leading into community college career training, higher education, or direct employment opportunities.

Juvenile Justice Resources. The state operates a network of schools for adjudicated youth, funded as an additional school district. The curriculum includes vocational training in a number of career clusters, as well as partnerships with employers that guarantee entry-level placements to students who meet set standards. There is

no sustained connection to postsecondary institutions. Juvenile justice education officials are interested in pursuing a link to community and four-year colleges, which could be developed by revising the curriculum to serve as a foundation for postsecondary pathways.

Analysis

Baltimore's current out-of-school and at-risk system is a limited one. Yet with generally supportive officials, interested institutions, and the beginnings of a city-wide structural framework, the city has the opportunity to expand the number and range of its programs and opportunities.

Resource Base. In Baltimore, as in several of the cities visited, the prime catalyst for strategic expansion is increased use of ADA funding. With no defined limit on the overall funding pool, a high dropout rate, and (most important) the willingness of school officials to explore expanded use of ADA, the city has a substantial resource base for new strategies. If current national experience is any guide, Baltimore could support an alternative network several times the scale of its current programs. A network serving an additional 2,000-3,000 out-of-school youth could receive between $5 and $7.5 million in additional state funding. The city could also combine these funds with Pell grants to support postsecondary preparation strategies. The size of this pool would depend primarily on the capacity of the community college and the interest that could be generated.

Beyond these "new" ADA dollars, the city could redirect current funding to complement or expand new program strategies. The most important source here appears to be federal HUD dollars which can be blended with school and postsecondary funding streams. While no firm estimate can be made now, some significant portion of the $2 to 3 million in HUD employment and training funds the city now receives could be redirected to expand program opportunities and impact. A potentially larger source is Empowerment Zone funding. Resources designated for literacy, training, and education can be

integrated with other funding to underwrite new or expanded strategies.

Strategic Options. Creative use of these dollars would open a number of opportunities:

- **Current programs** such as YouthBuild and the Career Academy.
- **A postsecondary training program** targeted to out-of-school students. Baltimore City Community College (BCCC) has shown interest in developing a pathway for out-of-school students based on current Tech-Prep programs. Other community colleges in the region can also be recruited. New strategies can be wholly operated by community colleges or developed by creating connections to adjudicated students in state-operated schools, participants in current out-of-school programs such as Living Classrooms, or housing authority residents (see below).
- **Career-related internship or employment**. Through the Career Academy or other program frameworks, Baltimore can use new ADA-funded, GED programs as an incentive to encourage employer connections. Development of new educational options for out-of-school youth also offers opportunities to involve employers in curriculum design, to integrate employer-designed work-learning opportunities into education, and to seek employer commitment of jobs to students meeting program standards.
- **Long-term education and training programs targeted to Baltimore Housing Authority residents**. Baltimore's current HUD grant funded programs can be expanded in service and impact. Linkage with schools can draw upon a continuing ADA funding stream to support or broaden program models. New linkages with BCCC can add postsecondary pathways in related fields to existing Youth apprenticeship and YouthBuild programming. New strategies can be supported through integrating dollars from ADA, Campus of Learners, and Pell grants.

Issues and Next Steps The most significant barrier in Baltimore has been inertia. While resources such as ADA may well be available for out-of-school youth, there has been no concerted effort to encourage (or pressure) schools to seek them. Similarly, while institutional partnerships between community colleges, the housing authority, and other providers are feasible, there has been no entity to encourage, pursue and develop them. The recent replacement of the city's school board adds a broader level of uncertainty. Baltimore's Career Connections partnership has now established a committee specifically charged with the key tasks of pursuing ADA funding opportunities and expanding postsecondary linkages. While this represents a significant advance, the committee will likely need to take on a larger role than is currently anticipated.

To promote a city-wide system, the committee should include housing authority decision-makers and increased representation from BCCC, other youth-serving institutions, and area foundations. The committee needs to see itself as a strategy-making body, initiating models such as Tech-Prep initiatives and employer partnerships, promoting partnerships between institutions, seeking other funding opportunities, and monitoring and evaluating the evolving out-of-school strategy.

One proposal for system building, suggested by PIC administrators, is to bring together several funding streams in a single pool, which would then be competitively bid. While it may be unrealistic to actually combine all these funding streams, ADA (and JTPA) funding can be used as a catalyst to expand the impact and effectiveness of other resources.

For example, a request for proposals (RFP) developed through a city-wide planning process and financed by ADA dollars could require all funded organizations and programs to meet key threshold standards developed by a planning committee. For maximum effectiveness in system development, the committee might require that all funded out-of-school programming do the following:

- Incorporate a pathway to higher education, career employment or postsecondary training;

- Include partnerships with an employer, a post-secondary institution, or both; and
- Leverage other related funding specified by the committee. For example, the housing authority might be required to integrate HUD dollars, postsecondary institutions' Pell resources and community providers' Empowerment Zone funding.

The idea of a single, city-wide RFP has real potential as a foundation for an expanded approach to out-of-school students. To move beyond the limited strategies evident in other cities, however, Baltimore (and other cities) will need to create an entity that can plan meaningfully and implement the resulting system. This is a commitment few cities have made.

Baltimore will also probably need to find some way to integrate this process with Empowerment Zone funding, which is also administered by competitive grant, and organized in a way that does not appear to support the kind of out-of-school system suggested here. Ideally a designated portion of this funding would be incorporated in the RFP process described above.

BOSTON

Description

Boston operates a network of 12 alternative schools targeted to at-risk and out-of-school students. These schools together serve about a thousand students and are supported by a combination of funds from the Private Industry Council, the city, and the Boston public schools..The city also offers alternative models such as YouthBuild (a charter school). City officials note that current levels of service are greatly below city-wide needs. Boston has developed a network of providers, the Alternative Education Alliance, which works in combination with the PIC and school and community representatives. This partnership, described by community officials as "fragile", is

beginning to address systemic issues for out-of-school youth.

K-12 Education Resources. The city now provides approximately $1.3 million to help support a network of alternative schools, including support for "pilot schools", targeted largely to out-of school and at-risk youth. School funding for alternative education programs is supplemented by JTPA and city funds. Although Boston draws on an estimated $1,400 per student annually in state ADA funding for students enrolled in diploma programs, it receives no state dollars for students in GED programs. The potential use of such funds, which may represent significant funding for current and new out-of-school programs, is now being researched.

One issue in Boston, not evident in other cities, is the apparently low level of ADA funding; it is 30 to 40 percent less than funding reported in most other districts. Another issue also unique to Boston, is the flow of ADA funding, which goes from the state to the city and then to the school district, rather than directly from state to school district as elsewhere. Because there is no direct flow of funds to schools, it may be more difficult to separate out a pool of funding for returning out-of-school students to support new initiatives.

Postsecondary Resources. Massachusetts provides $500,000 in "dual enrollment" funding, which could support joint development of GED-community college programming. Diploma +, a new demonstration initiative of alternative providers and the Bay State Skills Center, provides an enriched curriculum and links at-risk and out-of-school diploma and GED students to courses at community colleges and four-year institutions. In addition to the participating alternative providers, the University of Massachusetts will also become a program sponsor. Boston officials believe there is potential for using Diploma + as a base to create formal articulated pathways between out-of-school programs and two- and four-year institutions.

Housing Resources. Boston's housing authority has reportedly received recent and significant HUD funding for related programs. Boston education and training officials report there is "little connection" between the housing authority, one of the nation's largest, and other systems. Boston has a $1.4 million Safe Futures grant (over five years) to build expanded social and family support structures in designated neighborhoods. The city also has a $1 million Comprehensive Communities grant on which to base a year-long strategic planning process. There are potential linkages between these efforts and an out-of-school strategy, but to date there has been little formal coordination with the city's alternative education initiatives.

Analysis

Boston likely has the most fully developed program network for out-of-school youth; its organizational strategy links JTPA and school district dollars to support a network of alternative providers. The need (and opportunity) is to expand the reach and scope of this network by leveraging additional education (and other) dollars, and by expanding links to employers and postsecondary institutions.

Resource Base. Boston currently uses state and local education dollars to support the alternative school network. The main opportunity for expansion is to seek state ADA funding for current and potential students now in nondiploma programs and to direct this funding to alternative programs. Although ADA is lower in Boston than in many other areas, a system comparable to other cities (serving perhaps 2,000 out-of-school youth) would access an additional $2.8 million in state funding. Postsecondary opportunities include employing a portion of the state's $500,000 in dual enrollment funds to serve out-of-school youth and using Pell grants and other postsecondary funding to support pathways initiatives. Housing authority programs may also offer a funding resource.

Strategic Options. The likeliest areas of potential in Boston are to expand the current alternative network to incorporate both postsecondary pathways for GED students and to improve connections to area employers. The city's Diploma + initiative, which now provides enriched academics and the opportunity for out-of-school students to take classes, offers a foundation for a postsecondary initiative. Through seeking ADA and postsecondary funding, the current model can be expanded into a directly articulated pathway into college. A similar program and funding strategy can be used to create an out-of-school strand of the city's school-to-career initiative, or to support other 2+2 or Tech-Prep efforts.

Boston also has the potential to draw upon its rich connections with area employers to expand their involvement in education and training programs directed at out-of-school students. Through the Boston Private Industry Council/Regional Employment Board, ten industries are organized to work with as many high schools and some 2,000 students. With PIC staff serving as "connectors," industry and schools work out the details of individual industry "pathways." In developing new or expanded GED programming, the city could involve employers in curriculum design and sites for work-based learning. These efforts could add to apprenticeship-like initiatives targeted to out-of-school students.

Issues and Next Steps. Boston has the beginnings of a base for an out-of-school system within the current coalition of alternative providers, the PIC, and city and school representatives. This coalition, which serves a relatively small population, needs first to develop a better perspective on the current and potential out-of-school population, as well as a strategy for expanding program and resource opportunities. The group should focus particularly on funding opportunities such as ADA and housing authority dollars; postsecondary institutions should also be approached as potential partners.

The group should also explore potential for expanding of current school-to-career initiatives to serve the out-of-school population. Assuming that the potential

exists to develop a number of these resources, the coalition will need to take on an increasingly complex role in promoting partnerships and developing strategies. This role could be expanded further, depending on the school system's need for an outside intermediary to oversee additional ADA funding. These additional responsibilities will probably require a more formal organizational structure and additional staff. The coalition may also require outside assistance in initial strategic development, and in supporting new program models.

SEATTLE

Description

Seattle has adopted a number of approaches to the out-of-school population, including getting the schools, the city, community colleges, and the housing authority involved. Strategies include two "middle-college" programs funded by the school district and based at the community college; a small network of city-operated GED programs; job-focused training programs aimed at the out-of-school population at the community college; and community-college operated GED and AA programs at housing authority sites. None of these programs is particularly large, and city officials agree there is a much greater unserved population. There is no formal organization focused on out-of-school youth, although there is an informal network of policy makers who discuss related issues. The Private Industry Council is seen by many in the community as a base for developing new strategies and seeking outside funding.

K-12 Education Resources. Seattle uses school funds to support two middle-college programs targeted to approximately 300 out-of-school and at-risk students at local community colleges. Education funds also support 8 to 10 GED programs for a relatively small number of students. Salient issues in Seattle, as elsewhere, include competing school priorities (e.g., dropouts, elementary education, low test scores); lack of organizational capacity within the school district for expanded programs; and the

need for clear program models. Interest in lowering the dropout rate could provide an incentive for out-of-school initiatives.

Postsecondary Resources. In addition to school funded middle college programs, Seattle supports community college operated GED and training funds targeted to an out-of-school population. School and community officials have recently expanded the middle college model, although officials feel they have reached capacity at approximately 300 students.

Provided ADA funding were available, community college officials believe current GED programs could be transformed into a foundation for 2+2 programming. Officials at two Seattle community colleges express interest in pursuing this possibility while regional education and training officials point to the potential to link Seattle students to regional institutions. Community college links can also be expanded through housing authority initiatives (see below). In addition to federal funding, officials believe state postsecondary resources could support out-of-school students in community college programs. Concerns expressed by postsecondary officials include the conflicting demands of adult education and welfare programs, space and time limitations, and issues of teacher certification.

Housing Resources. Seattle has been among the most active of the five cities in providing education and training services to residents. Through Hope 6 and Campus of Learners grants, the housing authority is developing a residential learning center that will incorporate a branch of South Seattle Community College. The center will offer GED, ESL, a computer lab, and referral services. Authority officials anticipate funding of $2 million per year for the next five years, drawn primarily from HUD and PIC funds. With 30 percent of Seattle's dropouts living in public housing, housing authority staff express strong interest in blending ADA and grant funding to develop a postsecondary pathway for out-of-school residents. Discussions with Seattle officials suggest there is potential for this model to attract city-wide interest.

Juvenile Justice Resources. Seattle has a number of federally-funded, juvenile justice grant programs, including a Safe Futures grant for $3.1 million, a Weed and Seed grant, and city-funded gang prevention programs. These are used for recreation, after-school care for younger children, and neighborhood-based programming. Dollars are not exclusively targeted to an out-of-school or juvenile offender population, but cover a larger spectrum of age and need. There are potential connections between some of these programs and a comprehensive out-of-school strategy, but city officials note they have not yet been able to put these programs together.

Analysis

Like other cities, Seattle's current network of programs for out-of-school youth is limited. However, given an established out-of-school initiative funded with education resources, related initiatives in housing and other areas, an expanding employment base, and city interest in new models, there is real potential to expand. The city needs a compelling programmatic approach that can engage schools in leveraging additional ADA dollars, generate employer support, engage the interest of postsecondary institutions, and stimulate the cooperation of other agencies in providing training opportunities.

Resource Base. Seattle uses its education resources to serve a relatively small number of students. If the experience of neighboring Portland is any guide, this resource base can be considerably expanded, with the potential to develop programming for perhaps an additional 1,000 to 2,000 students. A network this size could command between $3.5 and $7 million per year in additional state ADA funding. Creating postsecondary connections for out-of-school programs would add Pell grant dollars, as well as state postsecondary aid. There is also interest in directing current and anticipated HUD grant funding to support a more comprehensive out-of-school strategy. City officials estimate a potential of $2 million per year in HUD-JTPA funding at one project site. Project administrators are interested in using some

portion of these funds to support a postsecondary initiative for out-of-school youth. City officials also note some (relatively small) portion of the $3.1 million Safe Futures project could be directed toward new initiatives.

Strategic Options. The following strategic options emerge from an analysis of the potential for out-of-school youth in Seattle.

- **Developing a Postsecondary Pathway**. With current middle-college programs for out-school youth operating at capacity, there is broad agreement that new program models are needed. As in Baltimore, one notable option is to develop a postsecondary training pathway for out-of-school youth, funded with ADA and postsecondary dollars, that would parallel in-school 2 + 2 programs. This model could build on existing efforts at Seattle's Central and South Community Colleges and incorporate other community colleges in the Seattle region. Outside the city, the Puget Sound Education Service District has expressed interest in this model and plans to convene area community colleges and school districts to explore partnership possibilities.

- This model also fits with the HUD-JTPA supported Campus of Learners Grant slated for the Holly Park housing development. Through linking ADA, HUD and postsecondary funds, Seattle could use the project's proposed community college campus as a base for a 2+2 initiative for out-of-school project residents. This concept could be expanded to other housing authority sites.

- **Career-Related Internship Programs**. With a strong employment base in aerospace, micro-electronics, software development, and numerous other fields, Seattle has the clear potential to create internships and other work-based learning opportunities. Like Austin, Seattle has been relatively successful in developing school-to-work opportunities for in-school students. One option is to develop similar opportunities with GED programs where employers can aid in curriculum design, integrate work-based learning in the overall program model, and provide employment opportunities to graduates.

- **Connecting Employers**. A more compelling model is to connect employers to proposed ADA funded postsecondary pathways now being explored by the Puget Sound ESD and other institutions. There is opportunity in Seattle to involve employers early in designing program models; this will enable them to structure curriculum, provide related experiential learning, and a connect students to full-time employment opportunities.

Issues and Next Steps. Seattle region officials in education, employment and training, and housing, as well as the mayor's office, have expressed interest in exploring additional postsecondary pathways for out-of-school youth. Most agree that while the school system would not advance this proposal alone, it would work with partners to seek ADA funding to support developing initiatives. The key issue here, as elsewhere, is that there does not seem to be one institution that has the mandate, community support, or political incentive to develop an out-of-school strategy.

With no current entity to match Baltimore's developing Career Connections Partnership, Seattle needs a coalition of interested organizations that will both focus on out-of-school issues and bring new models to the community. This coalition should probably include the Private Industry Council, the mayor's office, the housing authority, community colleges and school representatives, and the regional ESD.

Major tasks facing this group include developing a strategic plan for a community college pathway or some other program model, lobbying the school district for ADA funding support, and seeking other resources and partners. The coalition might also consider longer-term strategy options such as creating a community RFP process similar to the one described above. If assembled, the coalition would probably require outside technical assistance.

Seattle also needs to designate an organization to manage ADA funding for the school district and to monitor and evaluate program operations. One option might be the regional Education Service District, which has noted preliminary interest in taking on at least some of these responsibilities.

STOCKTON

Description

Stockton's approach to out-of-school youth is primarily through San Joaquin County, which operates an alternative system for dropouts that includes over 1,500 Stockton students. This system is funded with ADA dollars. The city also supports a community organization that operates GED programs for a much smaller population in six locations in the city, as well as funding gang prevention and recreational programs. Respondents agree almost unanimously that the city currently has no structure or mechanism to develop out-of-school policy .

K-12 Education Resources. Stockton uses state ADA funding to support students in both San Joaquin County alternative schools and in local GED programs. Although these funds support more than 1,500 students, the unmet need due to high dropout rates is considerable. Stockton's superintendent is more reluctant than superintendents in other cities to expand programming for out-of-school youth at this time, noting, "It's not the way I want to go yet." As in other cities the superintendent cites higher priorities and is concerned about the need for an adequate infrastructure.

Postsecondary Resources. Stockton's Delta Community College is not currently involved in providing alternative programs, although it may be interested, provided ADA financing is available in addition to community college funding. The school's president cites a number of concerns, including lack of faculty interest, turf issues at the College, and lack of contact with Stockton schools. In addition, in California (unlike other states) Pell grants go to the state system, diminishing the incentive for individual community colleges to recruit economically disadvantaged students.

Housing Resources. Like other housing authorities, Stockton's has offered after-school, GED, and tutoring programs to residents for some time. The housing authority director notes that the goal of improving residents' self-sufficiency has led to increased emphasis in these areas, and that this year the authority will devote 20 percent of its basic support grant ($500,000) to resident education and training—an increase of $200,000 over last year. Currently there is no connection to other training programs or the community college, but there is linkage to school-funded counseling and tutoring programs. Given Stockton's high dropout population, these funds could serve to support expanded programming for a dropout population.

Juvenile Justice Resources. Juvenile crime is a particularly big issue in Stockton, which has an estimated 2,500 gang members. The city supports community center and recreational programs aimed at gang prevention. There are police programs based in schools, and there is a district school for adjudicated youth funded with state ADA funds ($5,200 for adjudicated youth). Officials describe little connection to employment and training programs. In addition, the state youth authority has subcontracted with the local Boys and Girls Clubs to operate a program for incarcerated youth.

As in other cities, there is little effort to create a connection between these efforts and a broader youth education or employment strategy. Although there does not appear to be much innovation in this area, county officials are reportedly very interested in reducing juvenile justice expenditures and have formed a task force on the issue. This task force is likely to explore alternatives to incarceration, and could be responsive to (cheaper) approaches that emphasize education and training.

Analysis

Stockton presents a mixed picture of opportunities and challenges. The county now uses ADA funds to support an

extensive education network for out-of-school youth; a number of other funding streams could be tapped for new strategies. Yet, despite a high dropout rate, the city superintendent is reluctant to seek ADA for out-of-school students. There is also a critical need for a catalytic coalition or organization to promote development of an out-of-school system.

Resource Base. The major funding opportunity in Stockton is the use of ADA dollars. Although San Joaquin County now serves a large number of out-of-school youth in alternative schools, a significant need remains. The population base for computing ADA could be increased by developing strategies for adjudicated youth. Stockton also has the opportunity to link ADA with such other funding sources such as a portion of the $500,000 the housing authority has designated for employment and training this year. Developing a strategy for an additional 1,000 youth would bring in $3.5 million in additional ADA funding. Private sources, such as the United Way, may also represent a funding opportunity.

Strategic Options. Some portion of these resources could be used to expand activities by alternative providers. Another opportunity would be to develop a school-to-career strategy for out-of-school youth to parallel in-school efforts. Postsecondary and career pathways for the out-of-school population can be created by developing a broader community partnership between alternative providers, the city and county schools, and postsecondary institutions such as Delta Community College. As in other cities, this strategy could target housing authority residents and include related training and employment opportunities.

Issues and Next Steps. There is wide agreement in Stockton on the need to develop better approaches for at-risk and out-of-school populations and on the lack of any system or strategy to address this issue. Unlike the other cities visited, however, there is low receptivity among key youth-serving institutions to creating a new strategic approach. The city school district is not now interested in serving as an intermediary to seek additional ADA funding, while the community college, although open to the possibility of new programs, notes possible faculty

opposition and other barriers. To a striking degree, respondents interviewed cite fragmentation and lack of clear direction as obstacles to development of an effective community strategy for out-of-school youth.

Lacking a core of interested and involved youth-serving organizations to provide a foundation for out-of-school strategy development, Stockton will probably require the intervention of community leaders across the board to realize the potential of available resources. Although many expressed pessimism, there is also opportunity in Stockton to mobilize resources from the private sector, the housing authority, and even education—provided there is strong outside leadership.

Implications and Recommendations

This study supports an earlier study by the National Conference of State Legislatures, which suggested that there is widespread potential for cities to tap state education dollars. The experience of all five cities suggests that ADA dollars offer the best chance to expand the resource pool for out-of-school youth. But realizing the opportunities they present will not be automatic. It will require political and organizational effort that will test the capacity and commitment of decision makers in each city.

Of these five cities, at least four are already using these resources, albeit in a limited way, to support educational programs for out-of-school youth. There appear to be no legal or institutional barriers to expanding this strategy. Moreover, school officials are interested in seeking these dollars, if compelling strategies can be found for using them, and the funds can be managed through community partnerships. Indeed, these education resources can provide the impetus for city-wide strategies for out-of-school youth across the country. While it is unlikely that any one strategy could serve even a majority of those out-of-school youth seeking education and training, programs in Minneapolis, Milwaukee, and Portland raise the likelihood that effective use of ADA funding could conservatively double the number of youth now supported in some of the study cities.

This added funding offers cities two obvious options. One is to expand support for current programs. A second is to promote connections with postsecondary education and training. ADA and other education funds can readily expand access to two- and four-year institutions. Any number of community colleges and other institutions would surely welcome the opportunity to promote these connections.

But a different kind of possibility is evident in the potential funding from housing authorities. In several of the cities, these authorities are evolving as a more or less separate system for education and training, operating their own grant funded programs for residents. The opportunity here is not to redirect these dollars to other programs, but to use ADA funding to expand and improve residence-based initiatives. This idea may have national potential.

Juvenile justice resources are another piece of a new city strategy. As yet, the promise of the Reclaim Ohio model has not been matched in the states discussed here. But as costs rise, county authorities may become more amenable to alternative approaches like those reported in Austin and Stockton. Also, schools specifically targeted to juvenile offenders, now largely separate from the larger system, can be linked to postsecondary training initiatives.

Despite the relative promise suggested by these findings, none of the five cities have yet put a systemic approach to out-of-school youth in place. Nor, with some exceptions, have these communities used available institutional resources to greatly increase the size of the funding pool available for out-of-school programs.

The Federal Role

Local officials will play the most important role in realizing the opportunities described here. However, the federal government through its regulations, funding policies and strategic assistance can influence the thinking and actions of these officials—and help shape better use of current resources.

To encourage out-of-school programs that will continue after grant programs expire, federal and other funders should expand their emphasis from programmatic initiatives to creating sustainable city-wide strategies and structures.

New initiatives should particularly emphasize funding integration, building organizational capacity, and job creation. In addition, the federal government should:

1) *Form an interagency task force to link existing federally funded programs and resources.*

The Departments of Labor, Housing and Urban Development, Justice, Health and Human Resources, and the National School to Work Office all support separate grants targeted, in some degree, to the out-of-school population. Although local applications for each of these programs note the importance of coordinating resources, there is no concerted effort at the federal level to link these dollars. In the absence of a strong federal message, communities continue to respond separately to each grant application, perpetuating the tradition of fragmented programs.

The federal government should form an interagency task force to make more effective use of limited federal funding for disconnected youth. Where feasible, programs primarily targeted to at-risk and out-of-school youth should be linked in a single application, explicitly encouraging a community-wide strategy that integrates federal, state, and local resources. Where there is a need to maintain separate grants, communities should be required to show how individually funded programs will be integrated with other initiatives and resources, including ADA funding, school-to-work, JTPA, and new welfare block grant funds. This requirement should be supported through clear scoring priority in grant applications.

2) *Allocate new "seed" funding to stimulate community-wide strategies for disconnected youth.*

A sustained federal investment in communities can serve as a catalyst for much larger funding streams, e.g., ADA funds, Pell grants, and block grant funding; it can also fund additional needed program activity. The federal

government should significantly expand the current three-city Out-of-School Youth Opportunity Area Demonstration to additional communities. The new initiative should promote pathways to postsecondary training, education, and career employment; require a community-wide strategy that integrates resources; and include a continuing capacity to plan, develop, and monitor program services. Specific requirements should include:

- a city-wide structure or organization, such as the city's school-to-work partnership, that includes employers, the school district, community colleges, alternative providers, city agencies, etc.; and
- a resource strategy that integrates JTPA, ADA, Pell, welfare block grants, school-to-work funding, and related housing and juvenile justice funding; and
- dedicated and continuing staff capacity.

3) *Provide technical assistance.*

In most communities, there is no single agency or entity responsible for developing a comprehensive strategy for disconnected youth. Instead, planners are attached to individual agencies that are focused on relatively narrow programs. The federal government should sponsor technical assistance to interested cities in areas such as strategic design, forming institutional connections and integrating resources. Technical assistance should emphasize:

- *the need for a comprehensive approach* that incorporates social support, academic support, connections to postsecondary education and training, and other lessons from the national experience;
- *the potential to integrate* education, postsecondary, welfare, housing and juvenile justice resources in a community strategy. Attention should particularly focus on drawing down state education resources (ADA), employing new welfare block grants, and using Pell grant funding;

- *the potential to develop pathways* to community and four-year colleges; and
- *aid in developing a continuing monitoring and evaluation strategy.*

4) *Plan now for publicly funded community service jobs.*

In recognition of the need for jobs for 4 million welfare recipients, school-to-work participants, and the expected surge to more than 30 million out-of-school youth, this monograph has stressed the importance of mobilizing large networks of employers to provide the needed opportunities. However, the Levitan Youth Policy Network recommends that the federal government prepare to backstop this effort with funding to support additional community service jobs. America's history, dating back to the 1930s, documents the lasting added value of such jobs created through the Works Progress Administration (WPA) and the Civilian Conservation Corps (CCC). In view of the unacceptably high cost of doing nothing, planning a public job-creation initiative now to avert an unemployment crisis among at-risk populations is a high policy priority.

CHAPTER SIX

MOVING INTO THE MAINSTREAM: Making Connections for Disconnected Youth

by Marion Pines and William J. Spring

Over the past generation a variety of programs have aimed at increasing the success rate for out-of-school youth in the labor market. Indeed, such efforts have been the focus of federal funding (of mostly short-term activities) since the Neighborhood Youth Corps was launched in 1964. These activities have been characterized mainly by GED preparation, along with some job training and job placement efforts. Total intervention time was usually compressed into a 3-4 month period. To a large extent, the regulatory constraints of cost-containment and the need for politically defensible placement results have governed program design. Little attention was paid to the social, legal, or health deficits that many youth carried with them. Nor was there sufficient acknowledgment of the changing nature of the labor market. Instead, it was hoped that a "quick fix" employment and training program would be the magic bullet that would permanently transform lives. When evaluations showed that this narrow approach yielded disappointing results, many policy makers and legislators simply gave up on out-of-school, unemployed youth.

To move from this self-defeating sense of resignation toward effective solutions, two crucial steps are necessary. First, as Gary Walker points out in Chapter 4, a growing body of research and field evidence points to concrete success in youth programs when they integrate work and learning into a comprehensive and caring environment. The Promising and Effective Practices Network (PEPNet) initiative sponsored by the National Youth Employment Coalition, for example, sustains a long-term process of identifying the "best" youth initiatives, in accordance with carefully validated criteria. Second, as Walker also hints, we must find ways to move beyond impressive but isolated programs to create city-wide *systems* that incorporate the lessons of effective programs and practices into all aspects of a community's efforts to assist out-of-school youth.

The successes of the growing number of innovative and effective youth program models have often been overlooked. Many models funded by foundations, for example, focus on integrating learning with meaningful work. They create sustained, family-like support systems of peers and caring adults. They develop a real "opportunity structure" for youth by setting rigorous standards and high expectations. They deliver on their promise of making connections to finding and keeping career path jobs. Most important, they focus on developing and transforming the whole person by demonstrating respect for individual intelligence and the ability to contribute to the community.

We know what works. Programs like YouthBuild, the Center for Employment and Training (CET), Youth Service and Conservation Corps, and Job Corps, which incorporate all these components, are operating successfully in many communities across the country. We know, too, that longer and more intense programs that incorporate the SCANS competencies into workforce development, and that pay attention to the principles of leadership and quality management, have a positive and lasting impact on participants.

There is little question that new and redirected resources are needed to mount an increased supply of effective program activities—programs that are based on the principles described by Walker—activities that embody the program components described in DeJesus' interviews. But programs that operate in isolation are not enough to move

young people into the mainstream. We present a case here for a city-wide system that connects young people from various institutions (schools, jails, streets) to a positive future. That system must become part of the already developing K-16 school-to-work system, the only difference being in the service providers and locations that make up the "school" portion of that system.

We have never tried, on a broad scale, to build on the existing and potential capacity present at the community level. We have not tried to extend these successful efforts or incorporate their lessons into larger systems. We believe that our knowledge base and expertise could yield far greater results if we connected what we know works to new and redirected resource streams, to long-term educational investments. and to cross-agency support and employment opportunities. In short, we need an integrated and comprehensive *service dèlivery* system, one that not only pulls existing pieces together, but is also backed by the will and capacity to fill major gaps.

Walker's essay spells out some guiding principles for successful programmatic activities, based on research findings and best practices. They are: the caring adult, connections to employers, skill building and certification, positive peer groups, connections to support systems, and program continuity. All of the successful program models mentioned above, and those recognized by PEPNet, embody those principles. But to define and design a comprehensive system to serve out-of-school youth is to chart new waters. Before doing so, some useful directions may be found by examining the existing system serving college-bound youth and the newer system being developed (mostly for in-school youth) as part of school- to-work educational reforms. What these systems have in common are:

- known expectations;
- access;
- rigorous program content with effective connections; and
- accountability.

We believe the systems that share these characteristics have lessons to teach.

The College-Bound System. In the case of college-bound youth, a body of information about college admission requirements is shared by school personnel, parents, and students. These requirements govern the design of high school curricula and shape the guidance given to students about selecting appropriate courses. Access to admissions information, appropriate curricula, and counseling, as well as information about financial assistance, all contribute to a reasonably effective system. That access seamlessly moves most of the fortunate students who enjoy it from high school to postsecondary education. Counselors and school administrators know what proportion of their high school graduates go directly to college, and they are held accountable by the community for these results. While counseling caseloads may often be too high, and the adequacy of information about financial assistance may often be meager, the appropriate pieces of a system are in place to move students from secondary to postsecondary education.

The School-To-Work System. But in the case of students who are not competing for places in colleges, or who have not yet formulated college or career plans, the paths beyond high school have not been as smooth or well-marked. It was to address this problem that the School-to-Work Opportunities Act of 1994 was enacted.

It models a new approach with three key features:

- The Act requires that attention be paid to *all* young people;
- Federal funds were made available as venture capital to catalyze existing public education dollars and private sector resources; and
- The Act attempts to emulate, promote, and link many of the systems components cited above for the college-bound students for all students.

The law reasons that if youth are going to enter the workplace successfully, they and the schools that prepare them need knowledge of workplace expectations. This knowledge must translate into an organized effort to forge a close working relationship between employers and schools

PROGRAMS OF PRINCIPLE:*

Gulf Coast Trades Center

The Gulf Coast Trades Center in New Waverly, Texas, works to increase the social and economic independence of disadvantaged youth. Over the past five years, the Center has enrolled 1,700 youth of which:

- 80 percent graduated with a certificate in one of the 9 approved trade programs;
- 60 percent attained a GED;
- 90 percent completed driver's education;
- 62 percent of the program graduates entered the work force in trade-related jobs; and
- the average placement wage was $7.50 per hour.

The majority of the participants are adjudicated young adults labeled "high-risk." Because one barrier to the students' success is their lack of daily-living survival skills in the community and the work place, a range of services is offered to address developmental needs. The Center is residential, operating a 136-student dormitory facility and a 32-student transitional living program.

The Center addresses the needs of 16-18 year-old at-risk youth not only with specific skills training, but also by teaching social skills in work attitudes and values. Support services offered include assessment (academic, vocational, social, and risk), counseling, occupational skills training, basic academic skills training, social skills acquisition, GED preparation, driver's education, substance abuse counseling, directed recreational programs, occupational skills, work maturity classes, career counseling, work experience, job-placement transitional services, and follow-up services.

Most participants at the Center must devote a total of 200 volunteer hours to community service activities, both as a learning experience and to build leadership skills. The Center operates a community-based "work experience" program which places students with local area nonprofit organizations. The program provides paid work experience to youth who might otherwise have no opportunity to work in a legitimate job.

The Center has adopted a self-paced training approach with an emphasis on personal achievement and individual initiative in a "no-fail" atmosphere.

***Note**: The "Programs of Principle" described in this document are those whose design and implementation takes seriously the principles presented in Chapter 4.

(including community colleges). It must get employer input into curriculum design and train teachers and guidance counselors about labor market requirements. Schools are finding that organizing themselves into smaller "career cluster" learning communities (e.g., schools within schools, such as career academies) is an effective strategy for achieving these ends. Most importantly, school-to-work has the potential of forging a series of work-based learning connections for youth into a coherent whole. Students may start with job shadowing and field trips, then follow those into work experience, internships, and apprenticeships that eventually lead to successful career placements.

Expanding the School to Work System for Out-of-School Youth

But what about out-of-school youth, whether dropouts or disadvantaged graduates, who are disconnected not only from schools where guidance and school-to-work programs are provided, but also from the primary labor market? How do we go about expanding the emerging school-to-work initiatives and building a comprehensive network of services for them? Surely, the systemic examples cited above contain lessons. As Chapters 1 and 2 show, out-of-school youth are anything but a monolithic group. They have developmental and economic needs as varied as their hopes and aspirations, and their access to the labor market is affected by varied factors. We believe that there are six essential elements for a comprehensive system for out-of-school youth.

1. Leadership. Both of the other systems have a clearly identified leadership mechanism. In the case of services to the college-bound, it is the education system itself that provides the leadership framework for parents, students, guidance staff, and teachers to help students make the secondary to postsecondary transition. With school-to-work it is most often a leadership team, anchored in the school system to be sure, but often including employers, community colleges, and employment and training providers from the community.

The State Role. It must be noted that over the past five years, states have been vested with greater authority and

responsibility for workforce development activities. Governors are the key players in many critical initiatives such as welfare reform and school-to-work at the state level, initiatives that need to be a part of the system that addresses the out-of-school challenge. But while they are advancing their thinking about systemic reform of their education, training, and welfare efforts for adults and in-school youth, in most cases, governors have not developed a clear strategy for out-of-school and at-risk youth. They need to use their authority to ensure that local communities have the support and participation of the state agencies responsible for important workforce development funds and policies. Clearly, it is imperative that governors place this issue high on their agendas, because the cost of ignoring this issue will echo through other areas of the state budget. State leadership in providing the appropriate policy and legislative framework, resource allocation and investments is vitally important to support local officials, local partnerships, local education institutions and the business community in their efforts to build quality opportunities for youth, particularly youth in the inner cities.

New federal legislation gives states greater discretion over the use of federal welfare block grants, as well as state matching funds. There is real potential to use these dollars, in conjunction with other resources, to support disconnected youth. This funding, mandated to support programs for teenage custodial parents, and to connect young adults to the workforce, can also be used to fund education and training for young adults and underwrite services for youngsters (up to age 18) on welfare.

States can also play an important role in encouraging local superintendents and school boards to use ADA funding to support alternative strategies for disconnected youth. Specifically, states should:

1. *Encourage integration of welfare development block grants with other ADA and other resources to support comprehensive strategies for disconnected youth.* In developing policies to allocate this funding, states should consider asking communities to develop plans for teen parents, welfare youth, and young adults on welfare that incorporate academic support, child care, training, and other needed services. Community

plans would integrate welfare with ADA, JTPA, and related initiatives. To promote the best use of welfare funding, states should conduct joint planning at the state level among state education and human resource agencies and provide communities with technical assistance to developing these strategies further.

2. *Encourage the use of ADA funds to support alternative education strategies for disconnected youth.* Following the lead of several states, state education agencies and boards should require local districts to develop plans to serve disconnected youth in alternative education environments. States should encourage local school districts to work closely with community colleges, alternative providers and PICs in developing these plans.

Local Leadership. Who should take the lead at the local level in developing strategies to address the enormous out-of-school youth challenge? Since meeting this challenge requires the close and continuing collaboration of a large and diverse group of local players, many of whom are serving the same youth, *the chief elected official of the community is best positioned to provide the leadership needed to make a difference*. Not being proactive risks high social and economic costs—increased crime, poverty, violence, and hopelessness. Even police chiefs and juvenile court judges are now saying that stable adult contacts, education, and jobs are a better (and much cheaper) answer than jails. We therefore look to mayors and county executives, all of whom have a keen interest and high stake in such issues, to provide local leadership.

However, as will be amplified in the sections that follow, the design and implementation of the system needs to rest with community partners at the local level. The leadership, authority, and clout of the local elected official is critical to start the effort, to redirect available local financial resources, to recruit the top business leaders and, with them, recruit the hundreds of collaborating businesses that are needed to build a system of learning and earning for these youth. Then the planning and implementation of the effort must be grounded in the community through a community partnership team.

2. A Community-Based, "Home Room" Framework. Both the college-bound and school-to-work systems start with the school as the basic organizational framework and build from that base. Out-of-school youth are starting in different places. They are not safely enclosed within school buildings. They are disconnected and "free floating" within their communities, relatively unattached to viable institutions. A logical place for a mayor or county executive to start in building a system for out-of-school youth, then, is where out-of-school youth are—in the community. Young people need to be helped in developing relationships with effective community-based organizations that already exist, or in creating new ones. Such organizations should have the responsibility of marketing to and engaging out-of-school youth on a long-term basis. Their community base could then become the hub—an out-of-school "home room." It is this base that must deliver on the promise to bring together the necessary adult "connectors" to alternative learning communities, peer support groups, social services, skills building, creative work experiences, and jobs. Think of the "home room" as a kind of one-stop shop for youth.

To be effective, the carefully chosen staff at community-based "home rooms" must have the information youth need. They must also have the credibility to build and sustain trusting relationships. Skill-building organizations, responsive learning centers, social service systems, legal systems, and, most importantly, employers, must all be in place. No one model for intake, referral, or service delivery will fit every community. *But every model* must *be able to deliver what young people want—the competencies to get and keep jobs.*

The "home room's" role must also include the responsibility for case-managed tracking and continuity of support. "Home rooms" must be seen by both schools and the juvenile justice system as the formal *connecting* mechanism for this group of young people. Specific procedures for these other youth systems to work with the "home rooms" will also be needed. There must be clearly established pathways from their systems to the "home room" so that youth do not get lost. Fortunately, available technology and shared data bases can augment personal contact, making these functions more do-able.

3. A New Model For Alternative Education. Although the academic deficits of many out-of-school youth demand attention, our attempts to replant them into traditional public school classroom settings have been generally unsuccessful. Equally disappointing have been attempts to place these young adults in all-day classrooms in front of a computer screen so they may learn "at their own pace." The School-to-Work Opportunities Act makes it clear that learning and the *applications* of learning must go together—a concept the education and employment and training systems have too rarely embraced.

Part of the difficulty is that efforts to help out-of-school youth have usually addressed the needs of participants sequentially: first remediation, then work experience, then skill training, capped off by (often unsuccessful) attempts at job placement. Basically, each activity was provided by a different vendor with a different staff. The small, alternative learning community for out-of-school youth should not be designed as a stand-alone entity with a predetermined number of steps leading to a short-term fix. We have learned that educational components should be presented in real-life contexts and integrated with work to validate and confirm what is learned. Small, alternative learning communities should focus on one or more careers, providing youth with opportunities to develop personal relationships with adults and their peers. Leadership development should also be encouraged, as the YouthBuild and Youth Service and Conservation Corps models have done so effectively.

Although the attainment of the GED has long been the academic outcome of choice for out-of-school youth, recent research reveals that the long-term earnings of GED holders are appreciably less than the level of high school graduates, as Stephen Mangum and Nancy Waldeck demonstrate in Chapter 2. While attainment of the GED has been demonstrated to have strong esteem building value, we recommend that successful alternative learning centers should be linked not only to work and community, but also to *community colleges* for continued career development and enhanced long-term earnings potential.

For maximum accountability and effectiveness, we further suggest that interrelated functions should not be divided among a series of vendors. In communities that have many effective service providers, it might be prudent to consider

contracting with several. But each vendor should be charged with developing an *integrated and holistic* learning community, connected to work opportunities for a fixed number of youth. Because the capacity to deliver integrated models is limited, wherever multiple vendors are involved, caring adults and carefully designed tracking systems in the "home rooms" become even more essential to ensure that no one is lost.

As David Gruber pointed out in Chapter 5, the opportunity for local school systems, community colleges, and community based organizations to form alternative educational partnerships has great potential. Each partner has much to offer. Newly developed curricula, experienced technical staff, funding from the average daily attendance (ADA) stream and Pell grants, and community-based know-how in relating to out-of-school youth should be combined in new and powerful models. For example, accredited small, alternative learning communities may well meet the needs of out-of-school welfare mothers better than returning them to traditional schools. At the same time, however, these young women will need help in meeting participation requirements under the new welfare reform legislation. Like public schools and employers, all alternative educational options must be held accountable for improved learning and higher earnings.

4. Access To An Organized Network Of Employers. When asked, "What do you need most?" at-risk youth who are 16 and older invariably say, "A job." Yet, as the "Tales from the Bright Side" point out, without active intervention, labor markets do not work well for poor disconnected youth, for a variety of reasons. In addition to being governed by the law of supply and demand, markets require accurate and dependable information about price and quality. For example, in hiring CEOs, it is routine practice to pay corporate "headhunters" handsomely to screen applicants. Most stock market investors believe that paying for the services of a reliable broker is a wise strategy. Yet, in the murky waters of the labor market, the reliable broker has usually been missing.

Institutionalizing the Broker. An important first step in organizing access to jobs and employers, therefore, is to develop a cadre of brokers to connect the youth, wherever they are, to a network of employers. The experience of the Boston Compact, as well as that of other communities, demonstrates that smaller employers in particular can happily come to rely on brokers to play a major part in their personnel functions. The brokers, for their part, coach youth on interviewing skills, résumé writing, and in such on-the-job survival skills as dealing with supervisors and co-workers. The brokers set up the interviews and provide continuing support, particularly at the outset. Employers report that the broker role is key; on their own, they say, they lack confidence in their ability to tell one baggy-jeaned youngster from another. But most have come to trust the knowledgeable intermediary as a reliable source of entry level labor.

This intermediary role must be organized into all parts of the new community- and school-to-work service delivery system. It must be connected to the "home rooms," the training programs, and the learning centers. It may be performed by a community-based organization with a solid track record of success and employer confidence, or perhaps by a Private Industry Council or a Chamber of Commerce. Whoever the sponsor, the "brokers" must be people in whom private sector leaders have confidence and who can meet the needs of a large variety of firms. Otherwise, placing young people in jobs will remain a freelance, small scale effort and the task of building a system of shared responsibility will go by the board.

The Small Employer. If we are ever to move away from cadging jobs from employers one by one, we must begin thinking about how to reach hundreds, if not thousands, of firms. Even in smaller cities there may be thousands of private sector firms. Yet the beginning of wisdom among employers is the realization that no one firm, acting alone, can make a systemic difference. And no small group of very large firms can have much impact. But if hundreds of firms come together in city-wide partnerships to agree on common goals and collaborative strategies, and if they develop relationships of trust with a reliable cadre of intermediary brokers, it then becomes possible to construct and sustain a school to career *system* for *all* youth.

Naturally, leadership is key to this kind of effort, and occasionally, inspired and insightful local business leaders have led the charge. But, as noted, every community has at least one powerful potential convener—the mayor or county executive. This individual can bring together the learning and business communities in a joint venture to make real progress against the persistence of alienation and unemployment that threatens the stability of our cities.

There are interesting and innovative examples of how this venture can be nurtured. In Maryland, for example, a portion of the federal school to-work grant has been set aside and designated as an Employer Incentive Fund. Its purposes are to encourage strategic employer involvement, develop replicable models of employer collaboration, and develop high-quality, work-based learning opportunities in industry sectors targeted for state economic development. RFPs went to consortia of industry-specific employers, trade associations, organized labor groups, and the like. Grant awards in the first year ranged from $25,000 to $100,000. For example, a large electric supply company will develop a multi-site model (15 employer sites, 15 schools), emphasizing orientation and career exploration in all aspects of the distribution industry. Designing work-based instruction to industry standards, using multi-media and video-conferencing formats, is also stressed.

In the southern part of the state, a large health care alliance is designing and implementing a comprehensive industry model involving three school systems, three employers and a community college. The model will include work-based learning for over 100 students, professional development for 150 teachers and hospital staff in eight high-tech health and bioscience areas In addition, Maryland requires each local grantee to set aside 25 percent of its grant to be matched locally to fund comparable local efforts. Employer advisory groups read and rank the proposals. Through this whole process, a greater understanding of the importance of shared responsibility is being nurtured and, more important, a greater understanding is emerging of *how* employers can be effective partners in a large scale learning and earning venture for young people.

Massachusetts, too, has taken the bold step of appropriating $500,000 in state money to provide a match, 50 cents to the dollar of private sector wages paid to

students in school to work partnerships. Significantly, the state also supports the brokering function, the critical bridge between youth and employers.

A few large national chains have also taken leadership in developing unconventional access routes for young people. McDonald's, for example, has developed a three-city pilot managerial/apprenticeship program, while Au Bon Pain has developed an entrepreneurial training curriculum.

By now, enough progress has been made to demonstrate convincingly that it is possible to organize access to jobs on larger scales, providing benefits to young job seekers and employers alike.

5. Commitment of Resources From The Public Sector. Having acknowledged the importance of meaningful work for out-of-school youth and the challenging task of organizing the private sector, we are ready to look at potential opportunities in the public sector. Clearly, to be successful, a community-based effort must have the commitment of a wide range of public resources. As is pointed out in a number of places in this report, disconnected youth often have a number of adverse circumstances with which to deal that require a wide range of support services. Public agencies must be prepared to make the commitment to redirect health services, especially substance abuse services, child care services, family services, and a number of other public social services to meet their needs. The justice system must become an important player as well.

Equally important will be the need to use the public sector for jobs. In response to job shortages in depressed urban and remote rural areas, many communities have successfully used foundation and public funds to combine work and educational activities in conservation and service corps. AmeriCorps service projects are also providing creative opportunities for learning, service and earning throughout the country, as well as escrowed stipends for college tuition. YouthBuild projects are helping to rebuild 100 neighborhoods around the country by providing small learning, developmental and service communities for out-of-school youth who engage in the construction and

rehabilitation of affordable housing while attending a YouthBuild alternative school half time.

If a little creativity is used, these endeavors can be self-sustaining. For example, several years ago, Baltimore developed a strategy known as City Builders. Crews of out-of-school youth were recruited and trained by the local employment and training system in a variety of skills—roofing, plumbing, carpentry—while at the same time requiring youth to continue earning their educational credentials part-time. With the active support of the mayor, city agencies contracted with these crews to perform a variety of services. They constructed bus shelters, roofed vacant city owned houses to protect them from the elements, constructed display counters for the public markets, built brick retaining walls around public parking lots, fixed minor leaks in public housing units (saving the housing authority thousands of dollars in water bills) and a variety of other tasks. The project became so well established that public relations materials were developed demonstrating the quality and variety of the work that could be performed. These were used to increase the variety and quantity of new "orders." Very often, the training was performed by union members, and often the supervisors who were hired were also union members, so that relatively little opposition to the activities was encountered. Useful work was done, skills were honed, self esteem soared and wages were earned—a win-win strategy all around.

Comparable types of activities are being implemented by creative Youth Conservation Corps in Miami-Dade County, Milwaukee and other parts of the country. Part of the job of the community-based "home rooms" should be to connect youth to these and other opportunities for appropriate work-based learning opportunities and to keep them connected. (See the sidebars on "Programs of Principle" scattered throughout this report for other examples.)

The challenge for local system builders is to think creatively in developing a meaningful work connection for out-of-school youth. But, creativity has its limits. In considering the sheer number of jobs needed to meet the demands of "welfare reform" and the rise in immigration and the demographic population surge among young people, it is unrealistic to expect that those demands will be met exclusively by the private sector. *Public sector job creation*

must be brought to the forefront of the public policy agenda. Public sector job creation provides opportunities for youth to perform useful work in their communities, acquire skills and develop work histories. For the communities in which they live, there are the added values of seeing formerly idle youth engaged in rebuilding, wages flowing into the economy, *and* the added value of the work itself—human services delivery and long overdue community improvements.

6. Accountability For Results and Data Tracking Systems. Accountability to young people and employers is crucial to building an effective system. Indeed, system effectiveness can be determined only by keeping track of the impact of each service component and provider. Part of this tracking function is making sure that a young person referred to another service provider receives the help he or she needs, makes satisfactory progress, or is discovered to be "missing in action," so that appropriate follow up services can intervene. Accountability is in the details, which must be the ultimate responsibility of the "home rooms." At the same time, shared database systems should be a critical support to, not a substitute for, the caring adult relationships espoused throughout this study.

Achieving broad agreement on measurable goals and outcomes, as well as making the commitment to design data tracking systems that assess progress, are critical tasks. There may be reasonable discussions within a community as to what constitutes "success," but after all views have been aired, the following questions must find an affirmative answer:

- Have more out-of-school youth improved their academic skills and workplace competency skills?
- Are more out-of-school youth enrolled in postsecondary education, the military, a registered apprenticeship program, and/or regularly employed?
- Are more out-of-school youth employed in career track jobs leading to higher wages that can adequately support a family?
- Are more youth contributing to the betterment of the community through services and "giving back"?

- Is there a measurable reduction in risk taking behaviors?

Agreement on measures of success will provide structure to the system and keep partners and services both focused and integrated. However, in establishing expectations for results, it is critically important that the ability to measure is present and the data tracking requirements are reasonable. To understand why, we need look no further than the strict time limitations for receiving benefits written into the recent welfare reform legislation. The ink was hardly dry on the bill before states realized that they did not have the tracking systems intra-state, much less inter-state, to be able to enforce these requirements. The lesson is: start early to build appropriate data collection and tracking systems that incorporate identifying information for each youth, each service, each employer in the system, as well as each job placement. Access to unemployment insurance wage records should be a key component of the data system in order to track wages over time.

In the final analysis, what will give an out-of-school youth service system credibility with all concerned is not merely the ability to produce results but the ability to produce reliable information that verify the results.

Blueprint for Action

The major challenge we face is how to build and sustain such an integrated system at the local level. In sum, we see the following blueprint for a system for out-of-school youth emerging.

1. Governors and state agencies extend their workforce development policy agenda to include out of school youth;
2. Strong mayoral or county executive leadership takes the initiative to marshal resources and community partners;
3. Organized networks of private sector employers are formed;
4. New, alternative learning communities are developed
5. Public resources are committed on a sustained basis for support services, work experience, and jobs;

6. Community-based one-stop shops or "home rooms" are set up, where:
   - caring, sustained relationships are developed with adult "connectors" who value youth, develop peer support groups, deliver on their promises and follow through;
   - access is provided to alternative small learning communities and skills training focused on career competencies, as defined by employers;
   - access is provided to other community education and training resources;
   - access is organized to meaningful work- based learning;
   - brokers provide access to networks of private sector employers; and
7. Accountability for outcomes and the data tracking systems to support them are planned and in place.

Getting to Who. But how does a community begin? As already noted, the effort needs to begin with the chief elected official or his or her staff asking *who* needs to be at the table.

- *Who* can reach and engage the kids to make them valued participants in community life? The list will likely include community-based organizations (CBOs), recreation centers, employment centers, parole and probation personnel, community police, public housing authorities, family support centers, HeadStart centers, churches, and the media.
- *Who* is currently delivering exemplary youth programs in the community? This list might include the JTPA system, YouthBuild, Youth FairChance, the Center for Employment and Training (CET), a youth conservation or service corps, AmeriCorps, PEPNet field-tested programs, alternative schools, police athletic leagues, and programs of churches, the recreation department, and other community organizations, including youth serving groups such as 4-H, Boys and Girls clubs, and the like.
- *Who* is involved with social, health, and legal supports for youth on such issues as teen pregnancy, substance abuse, child support orders, probation, and housing? This list might also include public social service agencies, the network of nonprofit

organizations, as well as representatives of the juvenile justice system.

- *Who* are developing the job connections for the local school-to-work system? Is it the local Chamber of Commerce, the local Private Industry Council, vocational education staff in the public and trade schools, or other community-based intermediaries?
- *Who* has access to the dollars to develop and sustain small, alternative learning communities? The list should include both state and local school officials, and perhaps local school boards and teachers unions. Charter schools should not be overlooked.
- *Who* is developing linkages for students to post secondary education? Key players here might include local community colleges, the TechPrep program and the higher education accrediting agency.
- *Who* can access the dollars for alternative, court-related interventions? Building on the Ohio Reclaim program described in David Gruber's chapter, these key players are state and local juvenile justice officials, including local courts and police officials.

Obviously, the list of potential stakeholders will vary with each local area, but this group and their activities are the building blocks for a local system for out-of-school youth. They need to meet, identify their resources and strengths, identify the most appropriate community-based anchors for home-rooms and start planning the services the disconnected youth will need to become productive.

To get beyond the talking stage, the mayor or chief executive needs to give delegated authority to a respected lead person or entity to keep the whole complex process on target. While it is completely appropriate to start small, it is critical to think big. We cannot afford to repeat the mistakes of the past 25 years by starting and then abandoning more pilot programs. This new effort must be about redirecting existing resources, filling gaps and building city-wide sustainable systems. It will not be easy and it will not be quick. Political intervention and leadership at state and local levels are essential. Some unrestricted seed money, from foundations and the federal government will be important in moving the planning and implementation process forward.

The federal government has been the primary source of funding for youth employment programs. But in recent years, only Job

Corps has benefitted from a modest increase in resources. The youth summer jobs program was saved from promised extinction only by a massive public response to the desperate employment needs of young people. But the year-round youth program which could provide the underpinning for the kind of system building described here was reduced by 80 percent, from $600 million to $127 million! YouthBuild was cut 50 percent from 1995 to 1996 and was increased to only 75 percent of its 1995 level in 1997. In view of the imminent crisis looming in the demographic surge among out-of-school youth, this challenge must move to the top of the national agenda, and move there quickly.

At the local level there is no substitute for initiative, creativity, leadership and, especially, persistent commitment to the task. Essential are:

- acknowledging the enormity of the challenge;
- agreeing on a vision of what is needed;
- adhering to the guiding principles about what works;
- building on strong current programs;
- learning from past mistakes and successes;
- recognizing the need for data collection, tracking, follow-upand overall accountability for the positive outcomes of learning and earning; and
- leadership, commitment and delegated authority from the top to stay with the goal long enough to see it realized.

We will not be successful with every out-of-school youth. We must recognize that a shared responsibility rests with the young people themselves; an education, a career and a secure place in the community must become our common vision. But if we can construct opportunities for tenacious young people, more and more will be motivated to make the effort and make the grade. At every level of government and at every level in the private sector our generation of Americans must share the responsibility to start building the system of opportunity—a system the generation of disconnected youth need if they are to succeed. The time to get started is *now*.

AFTERWORD

A CONTRAST AND A CHOICE

Society's relative neglect of out-of-school and out-of-work young people is dramatically highlighted by the way the federal government disburses scarce resources for education and training. For FY97, the principal federal programs serving out-of-school youth will provide about $1.48 billion in support of their future. While millions of the 25 million young Americans in the 18-24 age range could today benefit from additional investments in their skills, the dismaying fact is that not even 200,000 out-of-school youth will be served by these federally funded programs.

In sharp contrast, the major programs providing financial and other support to students going on to college will distribute *six times as much*—$8.9 billion—to about 7.5 million students (see sidebar). In addition, nonfederal assistance to students in the form of public and private scholarships and college endowments remains substantial, while private funds to help out-of-school youth acquire post-public school education and training border on the minuscule. These are figures that give new meaning to the phrase, "the short end of the stick."

At this writing, President Clinton has proposed to increase student financial aid for higher education for FY 1998 by 10 percent over FY1997, in an attempt to reach 450,000 more students. In addition, the President's "America's Hope Scholarships" tax credits and "Middle Class

Bill of Rights" tax deductions will provide an additional $4 billion in tax relief to make postsecondary education more affordable.

FEDERAL FUNDING FOR OUT-OF-SCHOOL YOUTH AND YOUNG ADULTS FY 1997

	$ Millions
Youth Training Grants (JTPA)	126.7
Job Corps	1,153.5
Estimate: School-to-Work, adult training grants, adult education, and other programs	200.0
	1,480.2

Compare with FY 1979 Out of School Youth Program Obligations (in 1997$): $8,491.2

POSTSECONDARY EDUCATION ASSISTANCE FY1997

	$ Millions
Pell Grants	5,919.0
Student Loans	777.0
Work-Study	830.0
Supplemental Education Opportunity Grants	583.0
Perkins Loans	178.0
Trio Programs (Outreach and Student Support Services)	500.0
State Student Incentive Grants	50.0
Designated Scholarships and Fellowships	62.1
National Early Intervention Scholarships	3.6
	8,902.7

These proposals are welcome. But they bespeak an irony. No one ever suggests that this nation does too much for the college-bound. On the contrary, it is widely assumed and

reported that the United States needs to invest substantially more, not less, in postsecondary and graduate education. But a question must be posed: can the health of our society and economy be assured when we do so little for "the forgotten half of our nation's youth, those who do not go on to college, a growing number of whom seek jobs with requirements beyond their present reach, and soon beyond their grasp, perhaps for a lifetime?

The question answers itself. Such disparities in the priorities of public policy, as reflected in the expenditure of public resources, are unworthy of a great nation. They fly in the face not only of the principles of equal opportunity and fairness in which American takes justifiable pride, but also in the face of common sense and common decency. Work is a fundamental source of human dignity—a fact that will never change. When, as a society, we create this kind of disparity, we are cutting off access to that fundamental element of our humanity to half a generation. It's not right; worse, it is cruel.

We now live in an age in which the creation of knowledge stands alongside work as an originator of wealth and progress in the world economy. In that light, the overwhelmingly disproportionate financial support given to higher education, as a matter of public policy, amounts to a stark declaration that the nation is willing to consign the minds and energies of millions of out-of-school youth to atrophy.

Such a policy, deliberate as it is, is monumentally foolish. Seen from the new vantage point of their potential, out-of-school youth become not a drag on the budget but a boon to the economy. They are a source of benefit to the nation, not only by virtue of the contributions they can make but also of the expenditures their productivity gradually renders unnecessary. It is time policy makers took seriously the bromide that so many of them repeat: it is far more cost-effective to turn a young person into a taxpayer with a job that has a future than to "save money" by keeping him or her on welfare rolls, in jail or prison, or on the books of some social service agency.

The time for action is now. We need not wait for the inevitable crisis. The program principles that work for these youth are now known and the potential sources of funding have been identified. The vision for system building needs to

be city-wide but the focus for action needs to be community-based. Each neighborhood differs enough to merit its own unique design for a community "home room" and its network of learning and earning connections for out-of-school youth. The appropriate convener in the cities is doubtless the Mayor, but someone persuasive may need to call this issue to his or her attention. Could that be you?

It is a commencement speech cliché to say that "Our youth are our future," but we sometimes need to remind ourselves that clichés remain truths even after they become clichés. In the case of out-of-school youth, that truth will manifest itself in the form of a generation that makes a contribution that it is well within their capabilities to make, given the right kind of assistance. Because if they do not receive that assistance, they will surely deflect the country from its true course. And that is not a matter of fate, but of choice.